

Board of Commissioners
Chair Rob Putaansuu
Vice Chair Danielle Murphy
Becky Erickson
Charlotte Garrido
Robert Gelder
Kol Medina
Ed Wolfe

Executive Director
Stuart Grogan



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<http://www.housingkitsap.org>

HOUSING KITSAP BOARD OF COMMISSIONERS

MEETING AGENDA

October 23, 2018

9:00 am - 11:00 am

Housing Kitsap, 2244 Bucklin Hill Rd., Silverdale WA 98383

- 1. Call to Order**
- 2. Public Comment** (Please limit comments to 3 minutes)
- 3. Consent Agenda**

All matters listed within the Consent Agenda have been distributed to each member of the Housing Kitsap Board of Commissioners for reading and study, are considered routine, and will be enacted by one motion of the Board with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by request.

- | | |
|--|----------------|
| A. 08-28-2018 Meeting Minutes | Page 4 |
| B. 09-25-2018 Meeting Minutes | Page 8 |
| C. 10-05-2018 Special Meeting Minutes | Page 10 |
| D. August Disbursements/Fund Transfers | Page 11 |

- 4. Executive Session to consider a Personnel Issue (RCW 42.23.110(i) (g)), a Litigation Issue (RCW41.23.110(1)(i)(iii)), and a Real Estate Issue (RCW 42.30.110 (1)(c)) (Stuart Grogan, Demetria Orthouse)**

- 5. Action Items**

- A. Consideration of a motion to authorize the Executive Director to execute a Letter of Interest with the tax credit investor for the Rental Assistance Demonstration (RAD) project.** **Page 31**
- B. Consideration of a motion to authorize the Executive Director to execute an amendment to the inter-local agreement with the Bremerton Housing Authority for the management of the Section 8 Housing Choice Voucher Program.** **Page 48**

6. Board questions and discussion regarding the following Program Updates:

- | | |
|--|----------------|
| A. Executive Director (Stuart Grogan) | Page 60 |
| B. Business & Technology Resources (Wendy Dutenhoeffer) | Page 66 |
| C. Single Family/Self-Help (Dean Nail) | Page 70 |
| D. Development (Stuart Grogan) | Page 76 |
| E. Real Estate Management and Housing Program (REMHP) | Page 78 |

7. Board Announcements

8. Community Updates

This is an opportunity for Board members to share any community items, news, conference updates, or program updates that are not otherwise scheduled for discussion during the Board meeting.

9. Adjourn



Board of Commissioners

Agenda Item Summary

MEETING DATE: October 23, 2018

AGENDA ITEM: 3.A.

AGENDA ITEM: CONSIDERATION OF A MOTION TO APPROVE THE CONSENT AGENDA.

SUBMITTED BY: Tara Owensby

TITLE: Executive Assistant

Reviewed and approved for inclusion in the packet by: Executive Director

ATTACHMENTS:

08-28-18 & 09-25-18 Meeting Minutes, 10-05-18 Special Meeting Minutes,
and August Disbursements/Fund Transfers.

STRATEGIC PLAN LINK: NA

FISCAL IMPACT: None

RECOMMENDATION: Approval of Consent Agenda.

SUMMARY STATEMENT:

See attachments.

**RECOMMENDED
ACTION:**

Motion to approve Consent Agenda.

Board of Commissioners
Chair Rob Putaansuu
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**HOUSING KITSAP BOARD OF COMMISSIONERS
BOARD MEETING
AUGUST 28, 2018
MINUTES**

Board in Attendance: Mayor of City of Port Orchard Rob Putaansuu (Chair), Mayor of City of Poulsbo Becky Erickson, Kitsap County Commissioner Charlotte Garrido, Kitsap County Commissioner Rob Gelder, City of Bainbridge Island Council Member Kol Medina, Kitsap County Commissioner Ed Wolfe.

Attending Staff: Executive Director Stuart Grogan, Chief Financial Officer Wendy Dutenhoeffer, Director of Single Family Housing Dean Nail, Director of REMHP Holly Paterson, Human Resources & Payroll Generalist Demetria Orthouse, Executive Assistant Tara Owensby.

Absent: Resident Commissioner Danielle Murphy (Vice Chair).

Public in attendance: Roger Gay

1. Call to Order:

Chair Putaansuu called the meeting to order at approximately 9:00 a.m.

2. Public Comment:

No comment.

3. Consent Agenda:

Tara stated that the items listed as Meeting Minutes from June 26, 2018 and May Disbursements/Fund Transfers should read July 24, 2018 and June Disbursements/Fund Transfers. Commissioner Gelder moved to approve the Consent Agenda as amended. Commissioner Erickson seconded. Motion carried unanimously.

Dean Nail requested to add an action item for the sale of the Prius to the agenda.

4. Finance Committee Update:

Chair Putaansuu announced that there was conversation of a staffing need in the finance department and requested Wendy to provide more information regarding cash flow in her action item request. Wendy and Holly briefly provided a verbal update of the status of the software conversion.

5. Action Items:

A. Consideration of a motion to authorize the Board Chair to sign the Fiscal Year 2018 SEMAP report for submission to the Department of Housing and Urban Development (HUD).

Holly requested the Board to authorize the Chairman to sign the SEMAP report for submission to HUD.

Action: Commissioner Garrido moved to authorize the Board Chair to sign the Fiscal Year 2018 SEMAP report for submission to the Department of Housing and Urban Development (HUD). Commissioner Gelder seconded. Motion carried unanimously.

B. Consideration of a motion to approve Resolution 2018-10 authorizing budget modifications to support essential activities in the current Fiscal Year.

Wendy reported a need for up to two additional finance personnel to support the essential functions of the department. She mentioned that adding the personnel would assist in the conversion of the new software, providing financial reports, insure accuracy in records, and prepare and submit required compliance reports in the coming year.

Wendy noted that the resolution bullet points read, “will be added” and “will be transferred” that the Resolution should read, “to be added” “to be added” and “to be transferred.”

Commissioner Medina requested clarification that the request is not to create two new positions; the request is to fill temporary positions already in place by temporary staff. Wendy responded that yes, the positions are currently filled by temporary staff, and stated the funding was not originally budgeted for in the recently adopted budget. Commissioner Medina said it would be very helpful to see more financial information attached to large budget adjustment requests like for future requests. There was further discussion.

Action: Commissioner Gelder moved to approve Resolution 2018-10 authorizing budget modifications to support essential activities in the current Fiscal Year. Commissioner Garrido seconded. Commissioner Gelder moved to amend the resolution such as the three bullet points to say “to be added” and “will be transferred.” Motion carried unanimously.

C. Consideration of a motion to approve Resolution 2018-11 to designate a Treasurer and to provide authority to approve exceptions from the 24-hour deposit requirement.

Stuart reported that in the most recent audit, an issue with HK’s performance of depositing checks within 24 hours of receipt was identified. Holly provided examples of several different situations identifying instances of when there is a need for checks to be deposited after the 24-hour rule such as emergencies, staff calling in sick, checks being received on a Friday, received over the weekend, or received on a holiday. She explained that all checks are date stamped as soon as they are received and on the rare occasion, it could be difficult for the checks to be deposited at the bank within the 24-hour timeframe.

Stuart said, in recent research, it was learned that Housing Authorities Board of Commissioners have the option to decide if they want to designate a treasurer for the Housing Authority. Staff requests that the Board designate the Housing Kitsap Chief Financial Officer as the Treasurer to allow exceptions from the 24-hour deposit requirement.

Commissioner Gelder questioned if HK has the ability for check scanning. Wendy responded that no, HK does not currently have check scanners and mentioned that HK has approached Key Bank and requested help deploying check scanners at the properties and have yet to be successful.

Chair Putaansuu and Commissioner Erickson both suggested for staff to look into one financial institution for HK accounts.

There was further discussion regarding the process of check depositing.

Action: Commissioner Erickson moved to adopt Resolution 2018-11 to designate the Chief Financial Officer as Treasurer and authorizing the Treasurer to allow exceptions to the daily transfers of money collected or received and to bring back a policy document establishing timelines for deposits. Commissioner Garrido seconded. Motion carried unanimously.

D. Consideration of a motion to approve the optout of the Housing Assistance Payment contracts for Heritage and Viewmont.

Holly reported that Heritage and Viewmont both are Tax Credit properties under the Tax Credit program and have a Project Based Section 8 Multifamily Housing Assistance Payment (HAP) contract. She stated that the contract is up soon and HK has the option to opt out of the Project Based Section 8 HAP contract at this time. The Board and Staff discussed the process and details of opting out of the contract.

Action: Commissioner Gelder moved to approve the optout of the Housing Assistance Payment contracts for Heritage and Viewmont. Commissioner Murphy seconded. Motion carried unanimously.

E. Consideration of a motion to approve Resolution 2018-12 to authorize the dissolution of the Dye's Inlet partnership.

Stuart reported that on June 26, 2018, the Board approved, by motion, HK to proceed with the dissolution of the Dye's Inlet partnership. At that time, staff presented a request for everything else but not a resolution for authorizing dissolution.. This resolution authorizes the dissolution of the Dye's Inlet partnership.

Action: Commissioner Garrido moved to approve Resolution 2018-12 authorizing the dissolution of the Dye's Inlet Partnership. Commissioner Gelder seconded. Motion carried unanimously.

F. Consideration of a motion for current and additional spending for the Renal Assistance Demonstration (RAD) project.

Stuart apologized saying that over the last year and half, HK has been operating under the assumption that permission from the Board to use funds for the RAD had already been given but research found the request was never officially approved by the Board. This request is to formally request the Board to authorize the spending for the RAD project. Commissioner Erickson commented that she also thought this was previously approved.

Action: Commissioner Erickson moved to approve additional spending for the RAD program as identified up to the amount of \$390,000 for current and additional spending to implement the RAD project. Commissioner Garrido seconded. Motion carried unanimously.

G. Consideration of a motion to select an investor for the Rental Assistance Demonstration (RAD) project.

Stuart requested the Board to authorize staff to select Enterprise as the investor for the RAD project and stated that HK's direct experience with Enterprise has been positive and their mission is similar to HK's. The Board and staff briefly discussed the information provided in the packet.

Action: Commissioner Medina moved to select an investor for the RAD project. Commissioner Gelder seconded. Motion carried unanimously.

H. Consideration of a motion to amend the contract for architecture and design services for the Rental Assistance Demonstration (RAD) project.

Stuart mentioned this is the next step in the process and referred to page 60 pointing out the requested amendments of the contract for architecture and design services for the RAD project.

Action: Commissioner Gelder moved to amend the contract for architecture and design services for the RAD project. Commissioner Erickson seconded. Motion carried unanimously.

I. Consideration of a motion to approve Resolution 2018-13 authorizing the sale of the 2005 Prius

Dean reported that the vehicle is not utilized enough to keep the battery charged and staff requests to sale the vehicle.

Action: Commissioner Erickson moved to approve Resolution 2018-13 authorizing the sale of the 2005 Prius. Commissioner Wolfe seconded. Motion carried unanimously.

6. Board Announcements:

Stuart announced he would be on vacation for two weeks in September.

7. Community Updates:

Commissioner Medina announced that the City Council of the City of Bainbridge Island had recently accepted the Housing Task Force's recommendations and that there was a discussion regarding inclusionary zoning.

Commissioner Gelder reported the second of a series of meetings scheduled for Homes for all would take place in Kingston soon and he is looking forward to it.

8. Discussion Items:

A. HK Role in Tiny Cabins Project:

There was a diagram drawn on the whiteboard outlining the potential organization and predevelopment planning for the Tiny Homes community. Commissioner Garrido presented a rundown of the status of the project. The Board and staff brainstormed different ideas for the project generally agreeing with the direction that staff had presented.

B. NAHRO Conference Report:

C. Holly briefly reported on the NAHRO Conference she attended in San Francisco.

D. Sherman Ridge perform and project update:

Dean announced that progress on the Sherman Ridge project is moving along pretty well and provided an update of the project. He referred to the Project Tracking spreadsheet provided in the Board packet on page 67 with further discussion.

9. Adjournment:

The Board of Commissioners meeting adjourned at approximately 10:56 a.m.

ATTEST:

ATTEST:

STUART GROGAN
Executive Director

TARA OWENSBY
Executive Assistant

Date Approved

Board of Commissioners
Chair Rob Putaansuu
Vice Chair Danielle Murphy
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**HOUSING KITSAP BOARD OF COMMISSIONERS
BOARD MEETING
SEPTEMBER 25, 2018
MINUTES**

Board in Attendance: Mayor of City of Port Orchard Rob Putaansuu (Chair), Resident Commissioner Danielle Murphy (Vice Chair), Mayor of City of Poulsbo Becky Erickson, Kitsap County Commissioner Charlotte Garrido, City of Bainbridge Island Council Member Kol Medina, Kitsap County Commissioner Ed Wolfe.

Attending Staff: Executive Director Stuart Grogan, Chief Financial Officer Wendy Dutenhoeffer, Director of Single Family Housing Dean Nail, Director of REMHP Holly Paterson, Human Resources & Payroll Generalist Demetria Orthouse, Executive Assistant Tara Owensby.

Absent: Kitsap County Commissioner Rob Gelder

Public in attendance: Tad Sooter, Doug and Elaine Chadwick, Mia Anez, Freddy Linarez.

1. Call to Order:

Chair Putaansuu called the meeting to order at approximately 9:00 a.m.

2. Public Comment:

No public comment.

3. Consent Agenda:

Commissioner Erickson moved to approve the Consent Agenda. Commissioner Garrido seconded. Motion carried unanimously.

4. Finance Committee Update:

Chair Putaansuu reported the committee discussed the cash discussion, financial reports, and tax returns. Wendy provided a brief software conversion update.

5. Board Questions and Discussion on Program Updates:

A. Executive Director

Stuart shared that he was out of the office on vacation the last two weeks. Commissioner Erickson thanked Stuart and HK Staff for hosting the HK North Property Tour with the Board. She said that it was very helpful to the Poulsbo City Council members.

B. Business & Technology Resources

Wendy is in the process of the first round of interviews for a Controller position.

C. Single Family/Self-Help

Dean mentioned that the photos provided in the packet are a little outdated and provided a brief update on the progress of the Sherman Ridge project in Port Orchard.

D. Development

Stuart reported he and the attorney are working on a letter of commitment with Enterprise for the RAD Conversion Project. Chair Putaansuu asked if the partnership agreement would go to the Board for approval. Stuart responded stating yes; once the partnership agreement is complete it will go to the Board of Commissioners for consideration of approval. Commissioner Wolfe requested a written update regarding the Suzuki project prior to the Bainbridge City Council meeting on October 16.

E. Real Estate Management and Housing Program (REMHP)

Holly shared that the painting and siding project at Heritage completed and the one year opt out letters for Heritage and Viewmont recently went were mailed to residents and HUD. Holly said that both HUD and the residents are informed of the process and know what to expect. Community meetings with Bremerton Housing Authority (BHA) will start in October. BHA staff agreed to attend community meetings to meet with the residents to help answer questions and offer support as needed.

6. Community Updates:

Chair Putaansuu reported the Port Orchard Homelessness Committee did not meet in September. The Severe Weather Shelter will open for the winter at the Methodist Church.

Commissioner Erickson reported the Grand Opening of Fish Line, will take place on November 10, 2018 and invited the Board members to attend.

Commissioner Garrido reported Homes for All received an AARP grant, which will pay for rehab of the donated trailer that will serve as a kitchen for the Tiny Homes Community; she said the work should start soon.

7. For the Good of the Order:

Commissioner Wolfe was happy to report that Kitsap County has an approved Draft Budget.

8. Executive Session:

Chair Putaansuu announced that the discussion would take approximately 10 minutes and adjourned the meeting into Executive Session to discuss a Personnel Issue (RCW 42.30.110 (g)) at approximately 9:22 am. At approximately 9:33 a.m., Chair Putaansuu adjourned the Executive Session and returned to the regular session.

9. Adjournment:

The Board of Commissioners meeting adjourned at approximately 9:33 a.m.

ATTEST:

ATTEST:

STUART GROGAN
Executive Director

TARA OWENSBY
Executive Assistant

Date Approved

Board of Commissioners
Chair Rob Putaansuu
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**HOUSING KITSAP BOARD OF COMMISSIONERS
SPECIAL BOARD MEETING
OCTOBER 5, 2018
MINUTES**

Board in Attendance: Mayor of City of Port Orchard Rob Putaansuu (Chair), Mayor of City of Poulsbo Becky Erickson, Kitsap County Commissioner Charlotte Garrido, Kitsap County Commissioner Ed Wolfe, and City of Bainbridge Island Council Member Kol Medina.

Absent: Kitsap County Commissioner Rob Gelder, Resident Commissioner Danielle Murphy

Attending Staff: Executive Director Stuart Grogan.

Guests: Jacquelin Aufderhide and Lisa Nickel with the County Prosecutor's Office

Public in attendance: Tad Sooter

1. Call to Order:

Chair Putaansuu called the meeting to order at approximately 7:35 a.m.

2. Public Comment:

Tad Sooter asked if the Board would take any action at the end of the meeting. Commissioner Putaansuu said they would not.

3. Executive Session:

Chair Putaansuu announced that the discussion would take approximately 30 minutes and adjourned the meeting into Executive Session to discuss a Personnel Issue (RCW 42.30.110 (g)) and a Litigation Issue (RCW41.23.110(1)(i)(iii)). Chair Putaansuu announced that an additional 30 minutes would be needed for the Executive Session. At approximately 8:35 a.m., Chair Putaansuu adjourned the Executive Session and returned to the regular session. No action was taken.

4. Adjournment:

The Board of Commissioners meeting adjourned at approximately 8:38 a.m.

ATTEST:

ATTEST:

STUART GROGAN
Executive Director

TARA OWENSBY
Executive Assistant

Date Approved

Board of Commissioners

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To: Housing Kitsap Board of Commissioners
 From: Stuart Grogan, Executive Director/CEO
 Subject: Approval of AUGUST 2018 Disbursements and/or Fund Transfers
 Date: October 23, 2018

1. General Fund	CK#121938 Thru #122058+ACH Debits	\$672,947.45
2. Section 8 Fund	Check#23326+ACH Debit	\$216,817.50
3. Self-Help Family A/P	Check#17374 Thru #17405	\$295,434.46
4. Red Barn	Check#103081 Thru #103098	\$21,253.26
5. Dye's Inlet	Check#804833 Thru #804850	\$8,904.03
6. Liberty Bay	Check#905158 Thru #905173	\$10,956.68
7. Heritage Apts	Check#102961 Thru #102995	\$22,312.58
8. Viewmont East Apts	Check#103863 Thru #103878	\$20,514.81
9. Railroad Ave	Check#2763 Thru #2777	\$13,372.79
10. Rural Dev. – Projects Fund	Check#3994 Thru #4032+ACH Debits	\$66,288.30
11. Kitsap Apts – 2006 LP	Check#15754 Thru #15792	\$76,213.95
12. SH Restricted Shop Fund	Check#297 and Check#298	\$223,178.44
13. Self Help TA Grant Fund	Transfer to other account	\$87,355.36
14. Self Help CF Shop Fund	Check#34 Thru #39	\$13,154.16
15. PH – Rental Receipts	Check #1210 to General Fund	\$45,425.25
16. HK PROJECTS	Check #1553 to General Fund	\$25,200.90

*No Attachment

AUGUST 2018 Summary: Disbursements \$1,623,972.51 + Transfers \$195,357.41= \$1,819,329.92

"I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim was a just, due and unpaid obligation against Housing Kitsap, and that I am authorized to authenticate and certify to said claim."

 Stuart Grogan, CEO/Auditing Officer

 Date

 Rob Putaansuu, Board Chair

 Date

HOUSING KITSAP
Transaction Edit Listing Between 08/01/2018 and 08/31/2018
Accounting

Bank Account HK - GENERAL FUND

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/07/2018		ACH DR- GTII BOA LOAN PAYMENT	OC		H	1,352.04	Yes	No
08/08/2018		ACH DR- KB ANALYSIS FEE	OC		H	1,018.77	Yes	No
08/15/2018		ACH DR- VOYA DEF COMP PAYMENT	OC		H	10,467.95	Yes	No
08/16/2018		ACH DR- PNW INVOICE	OC		H	55.47	Yes	No
08/16/2018		ACH DR- MID-MONTH PAYROLL DRAW	OC		H	44,506.90	Yes	No
08/17/2018		ACH DR- PNW INVOICE	OC		H	127.30	Yes	No
08/30/2018		ACH DR- WAGE GARNISHMENT	OC		H	382.00	Yes	No
08/30/2018		ACH DR- IRS TAX DEPOSIT	OC		H	34,098.82	Yes	No
08/30/2018		ACH DR- AUGUST 2018 PAYROLL	OC		H	145,659.89	Yes	No
08/31/2018		ACH DR- HSA CONTRIBUTIONS	OC		H	829.00	Yes	No
08/31/2018		ACH DR- PNW INVOICE	OC		H	183.10	Yes	No
08/29/2018		ACH DR- WA DRS PAYMENT	OC		H	41,541.41	Yes	No
08/29/2018		ACH DR- WA DRS PAYMENT	OC		H	158.52	Yes	No
08/07/2018		PAYROLL MANUAL CHECK- CK#10000	OC		H	1,615.86	Yes	No
08/13/2018		PAYROLL MANUAL CHECK- CK#10000	OC		H	1,274.38	Yes	No
08/31/2018		PAYROLL MANUAL CHECK- CK#10000	OC		H	1,427.95	Yes	No
08/31/2018		PAYROLL MANUAL CHECK- CK#10000	OC		H	1,268.66	Yes	No
08/02/2018		ACH DR- JULY 2018 PAYROLL	OC		H	125,502.90	Yes	No
08/02/2018		ACH IRS TAX DEPOSIT	OC		H	29,006.79	Yes	No
08/01/2018		ACH DR- 550 MADISON LOAN PAYME	OC		H	234.88	Yes	No
08/01/2018		ACH DR- 550 MADISON LOAN PAYME	OC		H	2,114.19	Yes	No
08/03/2018		ACH DR- PNW INVOICE	OC		H	735.85	Yes	No
08/31/2018		MANUAL PAYROLL CHECK- CK#10000	OC		H	1,264.71	Yes	No
08/03/2018		ACH DR- HSA CONTRIBUTION	OC		H	829.00	Yes	No
08/03/2018		ACH DR- VOYA DEF COMP PAYMENT	OC		H	10,748.41	Yes	No
08/06/2018	0000121938	OFFICE DEPOT	PB		C	87.55	Yes	No
08/06/2018	0000121939	PROJECT - 550 MADISON APTS.	PB		C	325.00	Yes	No
08/06/2018	0000121940	AIR MANAGEMENT	PB		C	577.50	Yes	No
08/06/2018	0000121941	AMERICAN REPORTING COMPANY	PB		C	237.00	Yes	No
08/06/2018	0000121942	BREMERTON GOVERNMENT CENTER	PB		C	1,120.96	Yes	No
08/06/2018	0000121943	BRADLEY SCOTT, INC.	PB		C	1,558.61	Yes	No
08/06/2018	0000121944	CITY OF BREMERTON	PB		C	8,306.96	Yes	No
08/06/2018	0000121945	VISA	PB		C	13.65	Yes	No
08/06/2018	0000121946	CENTURYLINK	PB		C	835.32	Yes	No
08/06/2018	0000121947	CINTAS FIRE 636525	PB		C	105.00	Yes	No
08/06/2018	0000121948	VISA	PB		C	1,074.99	Yes	No
08/06/2018	0000121949	GOLDEN TIDES II - GENERAL FUND	PB		C	1,328.00	Yes	No
08/06/2018	0000121950	PROJECT - GOLDEN TIDES II	PB		C	1,125.00	Yes	No
08/06/2018	0000121951	VISA	PB		C	178.06	Yes	No
08/06/2018	0000121952	HODGE ENGINEERING, INC.	PB		C	3,709.50	Yes	No
08/06/2018	0000121953	550 MADISON APTS	PB		C	1,336.00	Yes	No
08/06/2018	0000121954	DYE'S INLET GENERAL FUND	PB		C	1,082.00	Yes	No
08/06/2018	0000121955	KITSAP APTS. - KINGSTON RIDGE	PB		C	598.00	Yes	No
08/06/2018	0000121956	KITSAP APARTMENTS-PARK PLACE	PB		C	618.00	Yes	No
08/06/2018	0000121957	KITSAP APARTMENTS-P.O.VALLEY	PB		C	834.00	Yes	No
08/06/2018	0000121958	RED BARN dba PORT ORCHARD	PB		C	385.00	Yes	No
08/06/2018	0000121959	KITSAP COUNTY DEPARTMENT OF	PB		C	11,670.00	Yes	No
08/06/2018	0000121960	MADRONA MANOR - GENERAL FUND	PB		C	534.00	Yes	No

HOUSING KITSAP
Transaction Edit Listing Between 08/01/2018 and 08/31/2018
Accounting

Bank Account HK - GENERAL FUND

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/06/2018	0000121961	PROJECT - MADRONA MANOR	PB		C	1,000.00	Yes	No
08/06/2018	0000121962	VISA	PB		C	185.02	Yes	No
08/06/2018	0000121963	NORTH PERRY AVENUE	PB		C	1,040.24	Yes	No
08/06/2018	0000121964	ORCHARD BLUFF MOBILE PARK	PB		C	395.00	Yes	No
08/06/2018	0000121965	PROJECT - ORCHARD BLUFF	PB		C	167.00	Yes	No
08/06/2018	0000121966	VISA	PB		C	410.31	Yes	No
08/06/2018	0000121967	CITY OF POULSBO	PB		C	1,554.91	Yes	No
08/06/2018	0000121968	PUGET SOUND ENERGY	PB		C	2,069.87	Yes	No
08/06/2018	0000121969	SILVERDALE WATER DISTRICT	PB		C	2,612.71	Yes	No
08/06/2018	0000121970	U. S. BANK	PB		C	1,676.04	Yes	No
08/06/2018	0000121971	VERIZON WIRELESS	PB		C	739.55	Yes	No
08/06/2018	0000121972	WALLY'S WAX WORKS JANITORIAL	PB		C	850.00	Yes	No
08/06/2018	0000121973	WAVE	PB		C	274.85	Yes	No
08/06/2018	0000121974	WEST SOUND WORKFORCE, INC.	PB		C	1,516.40	Yes	No
08/06/2018	0000121975	XEROX CORPORATION	PB		C	53.36	Yes	No
08/06/2018	0000121976	Kayla Anderson	PB		C	821.00	Yes	No
08/13/2018	0000121977	HD SUPPLY FACILITIES	PB		C	492.72	Yes	No
08/13/2018	0000121978	HOME DEPOT CREDIT SERVICES	PB		C	1,153.20	Yes	No
08/13/2018	0000121979	ACCONTEMPS	PB		C	13,440.69	Yes	No
08/13/2018	0000121980	APEX LOCKOUT AND	PB		C	282.00	Yes	No
08/13/2018	0000121981	BAINBRIDGE DISPOSAL INC.	PB		C	313.94	Yes	No
08/13/2018	0000121982	BRETEYS CONSTRUCTION LLC	PB		C	8,387.55	Yes	No
08/13/2018	0000121983	BUILDERS FIRSTSOURCE, INC.	PB		C	1,896.35	Yes	No
08/13/2018	0000121984	KITSAP COUNTY	PB		C	24,257.75	Yes	No
08/13/2018	0000121985	CINTAS FIRE 636525	PB		C	35.00	Yes	No
08/13/2018	0000121986	MICHELLE COLLINS	PB		C	14.99	No	No
08/13/2018	0000121987	JULIE COMBS	PB		C	31.75	Yes	No
08/13/2018	0000121988	BREM-AIR DISPOSAL	PB		C	2,418.66	Yes	No
08/13/2018	0000121989	DS WATERS OF AMERICA INC.	PB		C	35.14	Yes	No
08/13/2018	0000121990	GREENSHIELD HOME &	PB		C	450.00	Yes	No
08/13/2018	0000121991	HODGE ENGINEERING, INC.	PB		C	140.00	Yes	No
08/13/2018	0000121992	IRON MOUNTAIN	PB		C	413.34	Yes	No
08/13/2018	0000121993	KITSAP COUNTY PROSECUTING	PB		C	7,210.02	Yes	No
08/13/2018	0000121994	KITSAP COUNTY PUBLIC WORKS	PB		C	6,729.19	Yes	No
08/13/2018	0000121995	KITSAP LUMBER & HARDWARE INC	PB		C	164.29	Yes	No
08/13/2018	0000121996	LEMAY MOBILE SHREDDING	PB		C	3.13	Yes	No
08/13/2018	0000121997	MISSION HOUSE MINISTRIES	PB		C	2,944.00	Yes	No
08/13/2018	0000121998	MOCO, INC.	PB		C	603.50	Yes	No
08/13/2018	0000121999	NORTH PERRY AVENUE	PB		C	106.11	Yes	No
08/13/2018	0000122000	NORTHWEST TERMITE &	PB		C	555.00	Yes	No
08/13/2018	0000122001	OLSEN LAW FIRM, PLLC	PB		C	378.00	Yes	No
08/13/2018	0000122002	PACIFIC OFFICE AUTOMATION	PB		C	143.23	Yes	No
08/13/2018	0000122003	PUGET SOUND ENERGY	PB		C	449.95	Yes	No
08/13/2018	0000122004	RHODODENDRON APTS	PB		C	35.00	Yes	No
08/13/2018	0000122005	RODDA PAINT COMPANY	PB		C	138.52	Yes	No
08/13/2018	0000122006	SCOTT MCLENDON'S HARDWARE	PB		C	57.97	Yes	No
08/13/2018	0000122007	SOUND GLASS SALES INC.-	PB		C	21.75	Yes	No
08/13/2018	0000122008	SULLIVAN HEATING & COOLING	PB		C	1,974.00	Yes	No

HOUSING KITSAP
Transaction Edit Listing Between 08/01/2018 and 08/31/2018
Accounting

Bank Account HK - GENERAL FUND

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/13/2018	0000122009	SURFACE RENEW INC.	PB		C	1,059.95	Yes	No
08/13/2018	0000122010	UNITED STATES TREASURY	PB		C	49.26	Yes	No
08/13/2018	0000122011	CITY OF BAINBRIDGE ISLAND	PB		C	1,739.51	Yes	No
08/13/2018	0000122012	DEPT. OF ENTERPRISE SERVICES	PB		C	506.74	Yes	No
08/13/2018	0000122013	WALLY'S WAX WORKS JANITORIAL	PB		C	1,865.00	Yes	No
08/13/2018	0000122014	WEST SOUND WORKFORCE, INC.	PB		C	2,729.52	Yes	No
08/13/2018	0000122015	WINDSONG-OPERATING ACCT.	PB		C	29.00	Yes	No
08/13/2018	0000122016	XEROX CORPORATION	PB		C	192.86	Yes	No
08/13/2018	0000122017	Evelyn McAnerly	PB		C	250.00	Yes	No
08/20/2018	0000122018	HD SUPPLY FACILITIES	PB		C	706.94	Yes	No
08/20/2018	0000122019	HOME DEPOT CREDIT SERVICES	PB		C	3,517.35	Yes	No
08/20/2018	0000122020	WEX BANK	PB		C	2,333.74	Yes	No
08/20/2018	0000122021	ALLEN SHEARER TRUCKING &	PB		C	800.00	Yes	No
08/20/2018	0000122022	BRETEYS CONSTRUCTION LLC	PB		C	931.95	Yes	No
08/20/2018	0000122023	CASCADE NATURAL GAS CORP.	PB		C	40.58	Yes	No
08/20/2018	0000122024	EXPRESS SERVICES INC.	PB		C	1,305.48	Yes	No
08/20/2018	0000122025	GREAT FLOORS LLC	PB		C	2,750.00	Yes	No
08/20/2018	0000122026	JIFFY LUBE - HEARTLAND	PB		C	61.61	Yes	No
08/20/2018	0000122027	KITSAP COUNTY PUBLIC WORKS	PB		C	1,376.87	Yes	No
08/20/2018	0000122028	NW COMMNET, LLC	PB		C	925.00	Yes	No
08/20/2018	0000122029	PACIFIC NORTHWEST TITLE	PB		C	210.00	Yes	No
08/20/2018	0000122030	PACIFIC OFFICE AUTOMATION	PB		C	405.03	Yes	No
08/20/2018	0000122031	PACIFIC SOURCE ADMINISTRATORS	PB		C	769.00	Yes	No
08/20/2018	0000122032	PUGET SOUND ENERGY	PB		C	12.80	Yes	No
08/20/2018	0000122033	REGENCE BLUESHIELD	PB		C	38,021.80	Yes	No
08/20/2018	0000122034	SCOTT MCLENDON'S HARDWARE	PB		C	58.38	Yes	No
08/20/2018	0000122035	SOUND GLASS SALES INC.-	PB		C	429.66	Yes	No
08/20/2018	0000122036	STERICYCLE COMMUNICATION	PB		C	422.61	Yes	No
08/20/2018	0000122037	VISION SERVICE PLAN - (AT)	PB		C	620.99	Yes	No
08/20/2018	0000122038	WASHINGTON STATE	PB		C	5,389.57	Yes	No
08/28/2018	0000122039	HOME DEPOT CREDIT SERVICES	PB		C	2,331.21	Yes	No
08/27/2018	0000122040	LOWE'S	PB		C	148.93	Yes	No
08/27/2018	0000122041	JEFF ANEMA	PB		C	47.36	No	No
08/27/2018	0000122042	CASCADE NATURAL GAS CORP.	PB		C	66.37	Yes	No
08/27/2018	0000122043	CDW GOVERNMENT	PB		C	1,440.83	Yes	No
08/27/2018	0000122044	CENTURYLINK	PB		C	94.81	Yes	No
08/27/2018	0000122045	EXPRESS SERVICES INC.	PB		C	739.93	Yes	No
08/27/2018	0000122046	IMPERIAL REFRIGERATION	PB		C	101.63	Yes	No
08/27/2018	0000122047	JIFFY LUBE - HEARTLAND	PB		C	61.62	Yes	No
08/27/2018	0000122048	KINGSTON LUMBER SUPPLY	PB		C	35.48	Yes	No
08/27/2018	0000122049	LIFEMAP ASSURANCE COMPANY	PB		C	2,377.01	Yes	No
08/27/2018	0000122050	MOEN, CANDACE	PB		C	130.44	Yes	No
08/27/2018	0000122051	NATIONAL LOAN ACQUISITIONS CO	PB		C	9,433.02	Yes	No
08/27/2018	0000122052	PREMIER RENTALS LLC	PB		C	253.55	Yes	No
08/27/2018	0000122053	PUGET SOUND ENERGY	PB		C	61.07	Yes	No
08/27/2018	0000122054	SCOTT MCLENDON'S HARDWARE	PB		C	289.15	Yes	No
08/27/2018	0000122055	HENERY HARDWARE KINGSTON	PB		C	72.11	Yes	No
08/27/2018	0000122056	VISION SERVICE PLAN - (AT)	PB		C	563.81	Yes	No

HOUSING KITSAP
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Bank Account HK - GENERAL FUND

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/27/2018	0000122057	WAVE	PB		C	472.08	Yes	No
08/27/2018	0000122058	XEROX CORPORATION	PB		C	27.99	Yes	No
08/20/2018	Z000000001	RODDA PAINT COMPANY	PB		C	0.00	No	No
SubTotal					147	672,947.45		

HOUSING KITSAP
Transaction Edit Listing Between 08/01/2018 and 08/31/2018
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Bank Account SECTION 8 - VOUCHERS

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/15/2018		ACH DR- BOA ACCOUNT ANALYSIS F	OC		H	83.80	Yes	No
08/10/2018	0000023326	HOUSING AUTHORITY OF THE	PB		C	216,733.70	Yes	No
		SubTotal			2	<u>216,817.50</u>		

HOUSING KITSAP
 SELF-HELP FAMILY A/P
 AUGUST 2018

DATE	CHECK #	PAID TO	AMOUNT
8/7/2018	17374	A &H CONCRETE	\$6,071.30
8/7/2018	17375	ARROW LUMBER & HARDWARE	\$396.36
8/7/2018	17376	ASH CONSTRUCTION LLC	\$4,539.85
8/7/2018	17377	B-MORE ELECTRIC	\$456.38
8/7/2018	17378	BRUNDAGE BONE CONCRETE PUMPING	\$4,706.46
8/7/2018	17379	CALPORTLAND CO.	\$27,560.56
8/7/2018	17380	FERGUSON ENTERPRISES INC	\$2,084.71
8/7/2018	17381	FINAL VISION INC.	\$774.00
8/7/2018	17382	FRANCIS, TED	\$13.07
8/7/2018	17383	KINGSTON HENERY HARDWARE INC.	\$33.34
8/7/2018	17384	HERDMAN PLUMBING	\$10,490.27
8/7/2018	17385	INSULATION NORTHWEST	\$1,269.85
8/7/2018	17386	KITSAP COUNTY PUBLIC WORKS	\$796.30
8/7/2018	17387	MADRONA HOMES LLC	\$25,658.60
8/7/2018	17388	KINGSTON LUMBER	\$66,968.94
8/7/2018	17389	IRON VISION GROUP dba NILSENS APPLIANCE	\$21,511.15
8/7/2018	17390	NORTHWEST DOOR LLC	\$1,402.84
8/7/2018	17391	PORT ORCHARD ELECTRIC LLC	\$7,555.40
8/7/2018	17392	PUGET SOUND ENERGY	\$589.80
8/7/2018	17393	RAINIER INSULATION SERVICES INC	\$3,714.72
8/7/2018	17394	RANDY KAN	\$487.50
8/7/2018	17395	RIZ CONCRETE INC.	\$19,075.00
8/7/2018	17396	ROCK SOLID, INC.	\$18,514.74
8/7/2018	17397	RODDA PAINT COMPANY INC.	\$1,195.25
8/7/2018	17398	ROYAL BUILDERS LLC	\$10,782.01
8/7/2018	17399	ROOF TRUSS SUPPLY, INC.	\$14,269.19
8/7/2018	17400	VALLEY SUPPLY CO.	\$12,079.84
8/7/2018	17401	WEST SOUND UTILITY DISTRICT	\$178.10
8/8/2018	17402	WEST SOUND UTILITY DISTRICT	\$30,580.00
8/27/2018	17403	FARMERS INSURANCE	\$666.02
8/27/2018	17404	PUGET SOUND ENERGY	\$781.18
8/27/2018	17405	RANDY KAN	\$231.73
TOTAL			\$295,434.46

HOUSING KITSAP
Transaction Edit Listing Between 08/01/2018 and 08/31/2018
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Bank Account RED BARN - OPERATING

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/06/2018	0000103081	OFFICE DEPOT	PB		C	56.48	No	No
08/06/2018	0000103082	KCCHA GENERAL FUND	PB		C	9,014.30	No	No
08/06/2018	0000103083	VERIZON WIRELESS	PB		C	27.47	No	No
08/06/2018	0000103084	WAVE	PB		C	246.55	No	No
08/06/2018	0000103085	XEROX CORPORATION	PB		C	29.08	No	No
08/13/2018	0000103086	LOWE'S	PB		C	98.25	No	No
08/13/2018	0000103087	CLEAN-N-ROOTER	PB		C	553.72	No	No
08/13/2018	0000103088	FROULA ALARM SYSTEMS INC.	PB		C	316.10	No	No
08/13/2018	0000103089	LOVERIDGE HUNT & CO., PLLC	PB		C	3,000.00	No	No
08/13/2018	0000103090	RELIABLE PARTS	PB		C	101.60	No	No
08/13/2018	0000103091	SCOTT MCLENDON'S HARDWARE	PB		C	222.17	No	No
08/13/2018	0000103092	THYSSENKRUPP ELEVATOR CORP.	PB		C	776.16	No	No
08/13/2018	0000103093	WALLY'S WAX WORKS JANITORIAL	PB		C	260.00	No	No
08/20/2018	0000103094	HD SUPPLY FACILITIES	PB		C	427.38	No	No
08/20/2018	0000103095	PREMIER RENTALS LLC	PB		C	22.00	No	No
08/27/2018	0000103096	NATIONAL LOAN ACQUISITIONS CO	PB		C	406.67	No	No
08/27/2018	0000103097	QUORUS COMMERCIAL	PB		C	5,492.40	No	No
08/27/2018	0000103098	SCOTT MCLENDON'S HARDWARE	PB		C	202.93	No	No
SubTotal					18	21,253.26		

HOUSING KITSAP
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Bank Account DYE'S INLET - OPERATING

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/03/2018		WIRE TRANSFER- HK GENERAL FUND	OC		H	973.92	Yes	No
08/06/2018	0000804833	DYE'S INLET REPLACEMT. RESERVE	PB		C	464.64	Yes	No
08/06/2018	0000804834	KCCHA GENERAL FUND	PB		C	1,544.70	Yes	No
08/06/2018	0000804835	PUGET SOUND ENERGY	PB		C	187.68	Yes	No
08/06/2018	0000804836	SILVERDALE WATER DISTRICT	PB		C	656.07	Yes	No
08/06/2018	0000804837	VERIZON WIRELESS	PB		C	9.23	Yes	No
08/13/2018	0000804838	BREM-AIR DISPOSAL	PB		C	171.63	Yes	No
08/13/2018	0000804839	KITSAP COUNTY PUBLIC WORKS	PB		C	1,034.64	Yes	No
08/13/2018	0000804840	WALLY'S WAX WORKS JANITORIAL	PB		C	265.00	Yes	No
08/20/2018	0000804844	HD SUPPLY FACILITIES	PB		C	77.30	Yes	No
08/20/2018	0000804845	HOME DEPOT CREDIT SERVICES	PB		C	116.06	Yes	No
08/20/2018	0000804846	EXPRESS SERVICES INC.	PB		C	533.66	Yes	No
08/27/2018	0000804847	CASCADE NATURAL GAS CORP.	PB		C	19.96	No	No
08/27/2018	0000804848	EXPRESS SERVICES INC.	PB		C	298.57	No	No
08/27/2018	0000804849	IMPERIAL REFRIGERATION	PB		C	50.97	No	No
08/27/2018	0000804850	WASHINGTON STATE HOUSING	PB		C	2,500.00	No	No
SubTotal					16	8,904.03		

Bank Account LIBERTY BAY - OPERATING

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/03/2018		WIRE TRANSFER- HK G/F (JUNE PAYR	OC		H	329.33	Yes	No
08/06/2018	0000905158	CENTURYLINK	PB		C	192.67	Yes	No
08/06/2018	0000905159	DUKE ROOF CLEANING	PB		C	800.00	Yes	No
08/06/2018	0000905160	KCCHA GENERAL FUND	PB		C	1,947.46	Yes	No
08/06/2018	0000905161	LIBERTY BAY PROPERTY RESERVE	PB		C	605.12	Yes	No
08/06/2018	0000905162	PUGET SOUND ENERGY	PB		C	670.99	Yes	No
08/06/2018	0000905163	VERIZON WIRELESS	PB		C	36.81	Yes	No
08/06/2018	0000905164	WAVE	PB		C	150.50	Yes	No
08/13/2018	0000905165	CINTAS FIRE 636525	PB		C	90.00	Yes	No
08/13/2018	0000905166	BREM-AIR DISPOSAL	PB		C	316.28	Yes	No
08/13/2018	0000905167	LOVERIDGE HUNT & CO., PLLC	PB		C	2,000.00	Yes	No
08/13/2018	0000905168	NORTHWEST TERMITE &	PB		C	136.25	Yes	No
08/13/2018	0000905169	WALLY'S WAX WORKS JANITORIAL	PB		C	360.00	Yes	No
08/20/2018	0000905170	HD SUPPLY FACILITIES	PB		C	67.21	Yes	No
08/20/2018	0000905171	EXPRESS SERVICES INC.	PB		C	494.43	Yes	No
08/27/2018	0000905172	EXPRESS SERVICES INC.	PB		C	259.63	No	No
08/27/2018	0000905173	WASHINGTON STATE HOUSING	PB		C	2,500.00	No	No
08/13/2018	Z000000002	HOME DEPOT CREDIT SERVICES	PB		C	0.00	No	No
SubTotal					18	10,956.68		

HOUSING KITSAP
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Bank Account HERITAGE - OPERATING

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/03/2018		WIRE TRANSFER- HK G/F (PAYROLL R	OC		H	6,771.42	Yes	No
08/06/2018	0000102961	VISA	PB		C	60.00	Yes	No
08/06/2018	0000102962	HERITAGE APTS-REPLACEMENT	PB		C	1,454.10	Yes	No
08/06/2018	0000102963	PUGET SOUND ENERGY	PB		C	236.58	Yes	No
08/06/2018	0000102964	VERIZON WIRELESS	PB		C	47.70	Yes	No
08/13/2018	0000102965	LOWE'S	PB		C	215.06	Yes	No
08/13/2018	0000102966	HD SUPPLY FACILITIES	PB		C	927.39	Yes	No
08/13/2018	0000102967	BREM-AIR DISPOSAL	PB		C	1,964.50	Yes	No
08/13/2018	0000102968	KITSAP COUNTY PROSECUTING	PB		C	1,113.20	Yes	No
08/13/2018	0000102969	LENA REARDON	PB		C	88.11	Yes	No
08/13/2018	0000102970	SCOTT MCLENDON'S HARDWARE	PB		C	6.52	Yes	No
08/20/2018	0000102971	LOWE'S	PB		C	327.43	Yes	No
08/20/2018	0000102972	HD SUPPLY FACILITIES	PB		C	1,234.60	Yes	No
08/20/2018	0000102973	Amber Ableman	PB		C	50.00	No	No
08/20/2018	0000102974	Andrea Bame	PB		C	90.00	Yes	No
08/20/2018	0000102975	Ruby Bowman	PB		C	50.00	Yes	No
08/20/2018	0000102976	Sandra Broadrick	PB		C	31.00	Yes	No
08/20/2018	0000102977	Nickie Burks	PB		C	39.00	No	No
08/20/2018	0000102978	Rolando Cruz	PB		C	45.00	No	No
08/20/2018	0000102979	EXPRESS SERVICES INC.	PB		C	2,677.44	Yes	No
08/20/2018	0000102980	GOLDLEAF CORPORATION	PB		C	2,289.00	Yes	No
08/20/2018	0000102981	Stefanie Grace	PB		C	50.00	No	No
08/20/2018	0000102982	JD CLEANING SERVICES	PB		C	150.00	Yes	No
08/20/2018	0000102983	Beana Mason	PB		C	50.00	No	No
08/20/2018	0000102984	Adrienne Olafsen	PB		C	50.00	Yes	No
08/20/2018	0000102985	PACIFIC OFFICE AUTOMATION	PB		C	27.25	Yes	No
08/20/2018	0000102986	Jordan Robertson	PB		C	50.00	No	No
08/20/2018	0000102987	RODDA PAINT COMPANY	PB		C	461.68	Yes	No
08/20/2018	0000102988	SURFACE RENEW INC.	PB		C	294.28	Yes	No
08/20/2018	0000102989	Deborah Wilbur	PB		C	50.00	No	No
08/28/2018	0000102990	HOME DEPOT CREDIT SERVICES	PB		C	27.62	No	No
08/27/2018	0000102991	EXPRESS SERVICES INC.	PB		C	1,115.60	No	No
08/27/2018	0000102992	MEGAN HASTINGS	PB		C	17.75	No	No
08/27/2018	0000102993	PUGET SOUND ENERGY	PB		C	18.55	No	No
08/27/2018	0000102994	LENA REARDON	PB		C	83.11	No	No
08/27/2018	0000102995	WAVE	PB		C	148.69	No	No
SubTotal				36		22,312.58		

HOUSING KITSAP
Transaction Edit Listing Between 08/01/2018 and 08/31/2018
Accounting

Bank Account VIEWMONT - OPERATING

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/03/2018		WIRE TRANSFER- HK G/F (JUNE PAYR	OC		H	7,416.98	Yes	No
08/06/2018	0000103863	VISA	PB		C	60.00	Yes	No
08/06/2018	0000103864	VERIZON WIRELESS	PB		C	63.28	Yes	No
08/06/2018	0000103865	XEROX CORPORATION	PB		C	59.43	Yes	No
08/13/2018	0000103866	HD SUPPLY FACILITIES	PB		C	1,348.53	Yes	No
08/13/2018	0000103867	HOME DEPOT CREDIT SERVICES	PB		C	27.22	Yes	No
08/13/2018	0000103868	JD CLEANING SERVICES	PB		C	130.00	Yes	No
08/13/2018	0000103869	RODDA PAINT COMPANY	PB		C	230.84	Yes	No
08/13/2018	0000103870	SCOTT MCLENDON'S HARDWARE	PB		C	63.55	Yes	No
08/13/2018	0000103871	WALLY'S WAX WORKS JANITORIAL	PB		C	90.00	Yes	No
08/20/2018	0000103872	HD SUPPLY FACILITIES	PB		C	3,781.66	Yes	No
08/20/2018	0000103873	GOLDLEAF CORPORATION	PB		C	846.93	Yes	No
08/20/2018	0000103874	GREAT FLOORS LLC	PB		C	3,226.40	Yes	No
08/20/2018	0000103875	WAVE	PB		C	124.34	Yes	No
08/27/2018	0000103876	HOME DEPOT CREDIT SERVICES	PB		C	386.92	No	No
08/27/2018	0000103877	BREM-AIR DISPOSAL	PB		C	2,592.41	No	No
08/27/2018	0000103878	MEGAN HASTINGS	PB		C	66.32	No	No
SubTotal					17	20,514.81		

HOUSING KITSAP
Transaction Edit Listing Between 08/01/2018 and 08/31/2018
Accounting

Bank Account RAILROAD- OPERATING

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/03/2018		WIRE TRANSFER- HK G/F (JUNE PAYR	OC		H	3,729.71	Yes	No
08/06/2018	0000002763	KCCHA GENERAL FUND	PB		C	928.00	Yes	No
08/06/2018	0000002764	CITY OF POULSBO	PB		C	1,828.55	Yes	No
08/06/2018	0000002765	SONIA SCOTT	PB		C	14.32	Yes	No
08/06/2018	0000002766	VERIZON WIRELESS	PB		C	11.14	Yes	No
08/13/2018	0000002767	HD SUPPLY FACILITIES	PB		C	47.16	Yes	No
08/13/2018	0000002768	GREAT FLOORS LLC	PB		C	3,150.10	Yes	No
08/13/2018	0000002769	LOVERIDGE HUNT & CO., PLLC	PB		C	3,000.00	Yes	No
08/13/2018	0000002770	JANA MCKINNEY	PB		C	15.00	Yes	No
08/13/2018	0000002771	MOCO, INC.	PB		C	22.00	Yes	No
08/13/2018	0000002772	NORTHWEST TERMITE &	PB		C	87.20	Yes	No
08/13/2018	0000002773	PUGET SOUND ENERGY	PB		C	103.48	Yes	No
08/13/2018	0000002774	Cassi Rhodelander	PB		C	18.00	Yes	No
08/20/2018	0000002775	HOME DEPOT CREDIT SERVICES	PB		C	392.42	Yes	No
08/20/2018	0000002776	FED EX	PB		C	10.71	Yes	No
08/27/2018	0000002777	JANA MCKINNEY	PB		C	15.00	No	No
SubTotal					16	13,372.79		

HOUSING KITSAP
Transaction Edit Listing Between 08/01/2018 and 08/31/2018
Accounting

Bank Account RD PROJECTS - OPERATING

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/14/2018		ACH DR- USDA RD LOAN PAYMENT	OC		H	2,076.37	No	No
08/14/2018		ACH DR- USDA RD SURCHARGE/ OVE	OC		H	158.00	No	No
08/03/2018		WIRE TRANSFER- HK G/F (JUNE PAYR	OC		H	22,543.22	Yes	No
08/06/2018	0000003994	OFFICE DEPOT	PB		C	55.55	Yes	No
08/06/2018	0000003995	BAINBRIDGE DISPOSAL INC.	PB		C	1,015.66	Yes	No
08/06/2018	0000003996	CENTURYLINK COMMUNICATIONS, LLC	PB		C	1.14	Yes	No
08/06/2018	0000003997	COMCAST	PB		C	189.23	Yes	No
08/06/2018	0000003998	JULIETTE BARBER	PB		C	13.40	Yes	No
08/06/2018	0000003999	KCCHA GENERAL FUND	PB		C	8,642.00	Yes	No
08/06/2018	0000004000	CITY OF POULSBO	PB		C	4,793.06	Yes	No
08/06/2018	0000004001	PUGET SOUND ENERGY	PB		C	13.06	Yes	No
08/06/2018	0000004002	SONIA SCOTT	PB		C	30.92	Yes	No
08/06/2018	0000004003	VERIZON WIRELESS	PB		C	120.76	Yes	No
08/13/2018	0000004004	HD SUPPLY FACILITIES	PB		C	3,564.88	Yes	No
08/13/2018	0000004005	JULIETTE BARBER	PB		C	250.95	Yes	No
08/13/2018	0000004006	BUILDERS FIRSTSOURCE, INC.	PB		C	36.98	Yes	No
08/13/2018	0000004007	CENTURYLINK	PB		C	214.63	Yes	No
08/13/2018	0000004008	CENTURYLINK	PB		C	43.43	Yes	No
08/13/2018	0000004009	CINTAS FIRE 636525	PB		C	122.46	Yes	No
08/13/2018	0000004010	JULIE COMBS	PB		C	117.09	Yes	No
08/13/2018	0000004011	COMCAST	PB		C	441.70	Yes	No
08/13/2018	0000004012	GREAT FLOORS LLC	PB		C	2,610.00	Yes	No
08/13/2018	0000004013	KITSAP COUNTY PROSECUTING	PB		C	2,348.90	Yes	No
08/13/2018	0000004014	JANA MCKINNEY	PB		C	220.00	Yes	No
08/13/2018	0000004015	MOCO, INC.	PB		C	43.00	Yes	No
08/13/2018	0000004016	NORTHWEST TERMITE &	PB		C	320.00	Yes	No
08/13/2018	0000004017	PACIFIC OFFICE AUTOMATION	PB		C	6.78	Yes	No
08/13/2018	0000004018	PUGET SOUND ENERGY	PB		C	1,347.90	Yes	No
08/13/2018	0000004019	RODDA PAINT COMPANY	PB		C	256.94	Yes	No
08/13/2018	0000004020	SURFACE RENEW INC.	PB		C	549.98	Yes	No
08/13/2018	0000004021	THE OFFICE PAL	PB		C	236.78	Yes	No
08/13/2018	0000004022	THYSSENKRUPP ELEVATOR CORP.	PB		C	1,511.82	Yes	No
08/13/2018	0000004023	DEPT. OF ENTERPRISE SERVICES	PB		C	159.00	Yes	No
08/20/2018	0000004024	HD SUPPLY FACILITIES	PB		C	673.26	Yes	No
08/20/2018	0000004025	HOME DEPOT CREDIT SERVICES	PB		C	1,074.88	Yes	No
08/20/2018	0000004026	FED EX	PB		C	10.73	Yes	No
08/20/2018	0000004027	PUGET SOUND ENERGY	PB		C	19.54	Yes	No
08/20/2018	0000004028	WASHINGTON STATE	PB		C	1,261.43	Yes	No
08/27/2018	0000004029	HOME DEPOT CREDIT SERVICES	PB		C	2,754.23	No	No
08/27/2018	0000004030	ANCHOR BANK	PB		C	6,162.66	No	No
08/27/2018	0000004031	JANA MCKINNEY	PB		C	250.00	No	No
08/27/2018	0000004032	PUGET SOUND ENERGY	PB		C	25.98	No	No
SubTotal				42		66,288.30		

HOUSING KITSAP
Transaction Edit Listing Between 08/01/2018 and 08/31/2018
Accounting

Bank Account KITSAP APT - OPERATING

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/03/2018		WIRE TRANSFER- HK G/F (JUNE PAYR	OC		H	24,376.17	Yes	No
08/06/2018	0000015754	OFFICE DEPOT	PB		C	78.45	Yes	No
08/06/2018	0000015755	BREM-AIR DISPOSAL	PB		C	1,681.05	Yes	No
08/06/2018	0000015756	PUGET SOUND ENERGY	PB		C	1,131.96	Yes	No
08/06/2018	0000015757	MANUEL R. TORRES	PB		C	36.57	Yes	No
08/06/2018	0000015758	U.S. BANK	PB		C	2,500.00	Yes	No
08/06/2018	0000015759	VERIZON WIRELESS	PB		C	174.24	Yes	No
08/06/2018	0000015760	WAVE	PB		C	112.00	Yes	No
08/06/2018	0000015761	XEROX CORPORATION	PB		C	39.51	Yes	No
08/13/2018	0000015762	OFFICE DEPOT	PB		C	63.22	Yes	No
08/13/2018	0000015763	HD SUPPLY FACILITIES	PB		C	1,003.60	Yes	No
08/13/2018	0000015764	CENTURYLINK	PB		C	310.37	Yes	No
08/13/2018	0000015765	CLEAN-N-ROOTER	PB		C	1,642.42	Yes	No
08/13/2018	0000015766	JULIE COMBS	PB		C	3.06	Yes	No
08/13/2018	0000015767	DUKE ROOF CLEANING	PB		C	8,200.00	Yes	No
08/13/2018	0000015768	FOR RENT MEDIA SOLUTIONS	PB		C	1,034.88	Yes	No
08/13/2018	0000015769	GREAT FLOORS LLC	PB		C	6,875.91	Yes	No
08/13/2018	0000015770	GREENSHIELD HOME &	PB		C	2,230.00	Yes	No
08/13/2018	0000015771	KITSAP COUNTY PROSECUTING	PB		C	1,621.40	Yes	No
08/13/2018	0000015772	KITSAP COUNTY PUBLIC WORKS	PB		C	7,544.52	Yes	No
08/13/2018	0000015773	LOVERIDGE HUNT & CO., PLLC	PB		C	2,000.00	Yes	No
08/13/2018	0000015774	MOCO, INC.	PB		C	946.00	Yes	No
08/13/2018	0000015775	NORTHWEST TERMITE &	PB		C	163.50	Yes	No
08/13/2018	0000015776	PACIFIC OFFICE AUTOMATION	PB		C	6.77	Yes	No
08/13/2018	0000015777	PUGET SOUND ENERGY	PB		C	357.94	Yes	No
08/13/2018	0000015778	RELIABLE PARTS	PB		C	36.11	Yes	No
08/13/2018	0000015779	RODDA PAINT COMPANY	PB		C	230.84	Yes	No
08/20/2018	0000015780	LOWE'S	PB		C	467.00	Yes	No
08/20/2018	0000015781	HD SUPPLY FACILITIES	PB		C	3,530.66	Yes	No
08/20/2018	0000015782	HOME DEPOT CREDIT SERVICES	PB		C	21.40	Yes	No
08/20/2018	0000015783	CENTURYLINK	PB		C	436.40	Yes	No
08/20/2018	0000015784	OLYMPIC HOME AND PROPERTY SERV	PB		C	1,874.80	Yes	No
08/20/2018	0000015785	PACIFIC OFFICE AUTOMATION	PB		C	27.25	Yes	No
08/20/2018	0000015786	PACIFIC WELDING SUPPLIES LLC	PB		C	27.50	Yes	No
08/20/2018	0000015787	PUGET SOUND ENERGY	PB		C	108.75	Yes	No
08/20/2018	0000015788	RODDA PAINT COMPANY	PB		C	301.97	Yes	No
08/20/2018	0000015789	SCOTT MCLENDON'S HARDWARE	PB		C	81.62	Yes	No
08/27/2018	0000015790	HOME DEPOT CREDIT SERVICES	PB		C	896.00	No	No
08/27/2018	0000015791	Kirstina Haapaner	PB		C	879.80	No	No
08/27/2018	0000015792	NATIONAL LOAN ACQUISITIONS CO	PB		C	3,160.31	No	No
SubTotal				40		76,213.95		

HOUSING KITSAP
Transaction Edit Listing Between 08/01/2018 and 08/31/2018
Accounting

Bank Account SHOP - CONVERTED

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/06/2018	0000000297	PME CONSTRUCTION CORPORATION	PB		C	222,607.61	Yes	No
08/13/2018	0000000298	HIS HANDS LAWN CARE & SERVICES I	PB		C	570.83	Yes	No
SubTotal					2	223,178.44		

Run By: MA

HOUSING KITSAP
Transaction Edit Listing Between 08/01/2018 and 08/31/2018
Accounting

Bank Account SELF HELP - USDA 523 Grant Fund

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/16/2018		WIRE TRANSFER- HK G/F	OC		H	87,355.36	Yes	No
		SubTotal			1	87,355.36		

HOUSING KITSAP
Transaction Edit Listing Between 08/01/2018 and 08/31/2018
Accounting

Bank Account SHOP - REVOLVED

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/06/2018	0000000034	KEENAN DESIGN, INC.	PB		C	1,750.00	Yes	No
08/06/2018	0000000035	PACIFIC NORTHWEST TITLE	PB		C	425.45	Yes	No
08/20/2018	0000000036	ENVIRO SOUND CONSULTING, INC.	PB		C	713.00	Yes	No
08/20/2018	0000000037	FEDEX OFFICE	PB		C	21.46	Yes	No
08/20/2018	0000000038	PACIFIC NORTHWEST TITLE	PB		C	1,050.00	Yes	No
08/20/2018	0000000039	WNEK ENGINEERING	PB		C	9,194.25	Yes	No
SubTotal					6	13,154.16		

HOUSING KITSAP
Transaction Edit Listing Between 08/01/2018 and 08/31/2018
Accounting

Bank Account PH - Rental Receipts

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/06/2018	0000001210	KCCHA GENERAL FUND	PB		C	45,425.25	Yes	No
		SubTotal			1	45,425.25		

Run By: MA

HOUSING KITSAP
Transaction Edit Listing Between 08/01/2018 and 08/31/2018
Accounting

Bank Account HK PROJECTS - Rental Receipts

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
08/06/2018	0000001553	KCCHA GENERAL FUND	PB		C	25,200.90	Yes	No
SubTotal					1	25,200.90		



Board of Commissioners

Agenda Item Summary

MEETING DATE: October 23, 2018

AGENDA ITEM: 5.A.

AGENDA TITLE: Consideration of a motion to authorize the Executive Director to execute a Letter of Interest with the tax credit investor for the Rental Assistance Demonstration (RAD) project

SUBMITTED BY: Stuart Grogan

TITLE: Executive Director

Reviewed and approved for inclusion in the packet by: Executive Director

ATTACHMENTS: RAD Letter of Interest with LIHTC investor

STRATEGIC PLAN LINK: Goal 2

FISCAL IMPACT: None, update only

RECOMMENDATION: None

SUMMARY STATEMENT:

Following the selection of our lender for the project, we began working with CSG, HK's financial advisor for this project, to solicit interest from tax credit investors across the country. CSG widely distributed a request for proposals. At the August meeting, the Board agreed with the staff recommendation to select Enterprise pending its, and counsel's, review of the final letter of commitment.

The letter of commitment from the tax credit investor is a required part of the application for low income housing tax credits. With an award of tax credits, we can continue in the process planning for a close in late 2019.

RECOMMENDED ACTION:

Staff recommends authorization to sign the proposed commitment letter.

Background

As noted in last month's memo, HK's financial advisors recommended the selection of Enterprise because the other proposals would result in a funding gap, they are a nonprofit investor, Enterprise may be more flexible on exit and proposed good underwriting terms including no net worth and guarantee requirements. It also provides \$500K of predevelopment funds. The goals of Enterprise align closely with HK's mission and commitment and Enterprise has an existing working relationship with the authority and has been a good partner to Housing Kitsap.

The proposed Letter of Commitment has been reviewed and approved by HK's tax credit counsel, Foster Pepper and is attached for the Board's review and consideration.

Staff recommends that the Board authorize the Executive Director to execute the proposed Letter of Commitment.



September 10, 2018

Mr. Stuart Grogan
Executive Director
Housing Kitsap
2244 Northwest Bucklin Hill Road
Silverdale, WA 98383

Dear Mr. Grogan:

Thank you for considering our proposal! This letter outlines the terms and conditions under which Enterprise Community Investment, Inc. ("Enterprise") as representative for one or more equity funds will make an equity investment in Almira, Nollwood, and Golden Tides (the "Project") located in Bremerton and Silverdale.

A. The Project

- Involves the new construction and acquisition/rehabilitation of 155 rental units in 38 building(s)
- Includes 129 rental units subsidized by project-based rental or operating subsidy
- Is projected to qualify for the following tax credit percentages which will be locked as of closing
 - 3.29% for acquisition
 - 3.29% for construction
- The applicable fraction will be 100%
- Is projected to qualify for:
 - \$948,918 of annual Federal Low-Income Housing Tax Credits (the "Federal LIH Credit")

B. Project Ownership, Fees, Cash Flow and Capital Proceeds Allocations

- Owned by a to-be-determined limited partnership (the "Partnership")
- Sponsored by Housing Kitsap (the "Sponsor")
- The general partner will be a non-profit subsidiary of the Sponsor (the "General Partner"), which will be a single purpose entity with a 0.01% partnership interest
- The Enterprise equity fund will be the limited partner (the "Limited Partner") with a 99.99% partnership interest

Alternative ownership structures are possible, but may require adjustments of cash-flow fees and the allocations of the economic benefits for each partner as compared to the following proposal:

- Development Fee – the developer will earn a fee in the amount of \$3,490,903 , payable as follows:
 - \$3,490,903 is projected to be paid out of equity as detailed in Section C below
- Investor Services Fee - the Limited Partner will receive an investor services fee of \$10,000 inflating 3% per year paid in accordance with Section E. Unpaid investor services fee will accrue without interest and be paid as a priority from subsequent cash flow or proceeds from refinancing or sale
- Partnership Administration Fee - the General Partner will receive a partnership administration fee of up to \$9,000, inflating at 3% per year paid in accordance with Section E. Unpaid partnership administration fee will accrue without interest to be paid from subsequent cash flow or proceeds from refinancing or sale
- Credits and operating profits and losses - will be allocated 0.01% to the General Partner with the remainder to the Limited Partner
- Cash Flow Split – cash flow will be distributed up to 9.99% to the General Partner (accompanied by a special allocation of an equal amount of income) with the remainder to the Limited Partner
- Refinance or Sale Proceeds Split – proceeds will be distributed up to 9.99% to the General Partner with the remainder to the Limited Partner

C. Pricing of Credits and Schedule of Capital Contribution Payments

The Limited Partner proposes making an investment of \$8,920,000 based upon:

- \$0.94 per dollar of Federal LIH Credit (“Federal LIHTC Price”)

We assume the Limited Partner will be admitted to the Partnership on June 1st, 2019. If prior to closing there are material changes in the underwriting or timing assumptions or Enterprise’s cost or availability of capital, the Limited Partner may adjust the investment.

Capital contributions (“Payments”) will be due upon meeting the conditions and delivery of the items outlined below with approval by the Limited Partner for each requirement. All Payments are contingent upon meeting the conditions of prior Payments, and receipt of reporting items (see Section I below) and representations and warranties to insure the Project’s viability. Additional conditions may be imposed during underwriting and will be reflected in the final partnership agreement (the “Partnership Agreement”).

First Payment Admission

Second Payment During construction:

- a) Loan documents for loans closed on or before the admission date
- b) Owner’s title insurance policy

- c) Draw request (including a draw schedule showing balanced sources and uses and AIA forms G702 and G703)
- d) Support for all soft costs
- e) General contractor lien waivers

Enterprise will fund draws up to the amounts scheduled below on the following schedule:

Construction Payments Schedule			3,393,120		
Payment	Date	Amount	Cumulative		Percent
First	06/01/19		0		0.00%
Second	07/01/19		0		0.00%
Third	08/01/19		0		0.00%
Fourth	09/01/19		0		0.00%
Fifth	10/01/19	1,131,040	1,131,040		33.33%
Sixth	11/01/19		1,131,040		0.00%
Seventh	12/01/19		1,131,040		0.00%
Eight	01/01/20	1,131,040	2,262,080		33.33%
Ninth	02/01/20		2,262,080		0.00%
Tenth	03/01/20		2,262,080		0.00%
Eleventh	04/01/20	1,131,040	3,393,120		33.33%

Third Payment

On the latest to occur of October 1, 2020 and:

- a) Temporary certificates of occupancy for 100% of the units (for renovation projects, initial building department signoff on permits or recorded notice of completion or other such confirmation that the local government approves of the completed work may be acceptable in lieu of certificates of occupancy)
- b) Construction completion which requires that the Limited Partner and its consultant accept the architect certification that construction is complete in accordance with the relevant project documents, excepting punch list items that do not impede occupancy on a full rent paying basis provided that funds are escrowed to complete them
- c) Radon testing for each building and evidence of mitigation, if required
- d) Lead free inspection certificate (for buildings built before 1978) or acceptable Operations and Maintenance Plan.
- e) Title report evidencing there are no recorded mechanics liens that have not been released or bonded against
- f) Sponsor prepared cost certification documenting the Project's eligible basis, balanced sources and uses, calculation of annual credit, and evidence of the 50% test
- g) Current source and use schedule for the Project confirming sufficient funds will be available to achieve loan conversion ("Loan Conversion") which consists of:
 - i. Conversion of all Loans to permanent status
 - ii. Closing and funding of all permanent Loans in accordance with the terms shown on the Projections

- iii. Repayment of all construction loans
- iv. Approval of all loan documents
- h) Required insurance
- i) If applicable, evidence that properties qualify for a special property tax classification/abatement/exemption
- j) Operating or rental subsidy agreements

Fourth Payment On the latest to occur of July 1, 2021 and:

- a) Permanent certificates of occupancy for 100% of the units (for renovation projects, final building department signoff on permits or recorded notice of completion or other such confirmation that the local government approves of the completed work may be acceptable in lieu of certificates of occupancy)
- b) Final mechanic's lien release and final AIA forms G702 and G703
- c) Final as-built ALTA survey (for projects involving new construction or changes to the footprint of a building due to renovation)
- d) Recorded extended use agreement. When the state process precludes recording the Extended Use Agreement prior to the end of the first credit year, Enterprise may defer this requirement
- e) Final accountant certified cost certification documenting the Project's eligible basis, balanced sources and uses, calculation of annual credit, and evidence of the 50% test
- f) 98% tax credit qualified occupancy including receipt and approval of initial tenant documentation
- g) Credit projection
- h) If applicable, executed PILOT agreement / Approval of property tax classification / abatement / exemption
- i) Stabilization Date, which is the date that is the later of:
 - i. Construction completion
 - ii. The date the Project has satisfied the Required Debt Service (the "Coverage Ratio") of 1.15 for a period of three (3) consecutive calendar months evidenced as a single time period, with revenues calculated on a cash basis and expenses on an accrual basis. Rental and operating subsidy payments receivable may be included in rental income (up to the projected subsidy income) provided such amounts are not more than sixty (60) days in arrears. Revenue shall not include non-recurring revenue nor tenant-based voucher income exceeding maximum LIHTC rents. Throughout this period the underwritten physical occupancy of the residential units is achieved and revenue equals or exceeds projected Effective Gross Income. Project expenses (including required reserve funding) will be the greater of:
 - 1. actual expenses; OR
 - 2. the lesser of
 - A. the expenses shown on the projections
 - B. the current approved budget

Note that the Coverage Ratio may be adjusted upward during underwriting to maintain appropriate minimum Coverage Ratio during the initial compliance period.

j) Loan Conversion, which may be simultaneous with equity funding per this Payment

Fifth Payment On the latest to occur of April 1, 2022 and:

- a) Draft IRS Form(s) 8609 before submission to IRS and IRS Form(s) 8609 filed with IRS
- b) Tax return for the first LIH Credit year

Sixth Payment On October 1st, 2027

These Payments will fund uses according to the following:

Timing and Amount of LP Capital Contributions						Allocation of LP Capital Contributions						
						Choose "Percentage ("P") or Amount ("A") method						A
Payment	Project Milestone	Date	Amount	Percent	Cumulative		3,679,747	3,490,903	50,000	0	794,350	905,000
1	Admission	06/01/19	1,784,000	20.00%	20.00%	A	286,627	872,726	50,000		574,648	
2	During Construction	06/01/19	3,393,120	37.77%	57.77%	A	3,393,120					
3	Completion\Cost Cert	10/01/20	872,726	9.85%	67.62%	A		872,726		0		
4	Stabilization	07/01/21	1,716,064	19.36%	86.98%	A		1,396,361			219,702	100,000
5	8609s/1st & 2nd Yr TR	04/01/22	349,090	3.94%	90.92%	A		349,090				
6	Reserves	10/01/27	805,000	9.08%	100.00%	A						805,000

D. Adjusters

The maximum aggregate upward adjuster is 5% of the projected total capital contribution. An upward adjuster will reimburse development advances or reduce deferred development fee or partner loans or receivables with any remaining balance distributable as Refinance or Sale Proceeds in accordance with section E below. If the unpaid Payments are less than any downward adjustment, the General Partner will make a cash contribution or loan in the amount of the deficiency on an after-tax basis to be distributed to the Limited Partner. The specific adjustments follow:

1. Total Credit Adjuster:

If there is a reduction of total credits of any type reflected in either the draft cost certification, the final cost certification, or 8609(s), as compared to projections, then the next Payment will be reduced. The amount of the downward adjuster will be the respective credit price multiplied by the reduction of the relevant credits.

If there is an increase of total credits of any type as compared to projections then the aggregate capital contribution will be increased as of the Payment for which 8609s are received. The amount of the upward adjuster will be the respective credit price multiplied by the increase of the relevant credits.

2. Timing Adjuster:

If there is a reduction in equity according to the following paragraphs, it will be implemented as of the Payment dependent upon the Stabilization Date. Any additional equity funded under this section D.2 will be payable as part of the Payment requiring receipt of the relevant tax return showing the faster delivery, by year.

If the Project delivers less than \$433,423 Federal LIH Credits for calendar year 2020 or less than \$948,918 Federal LIH Credits for calendar year 2021, the Limited Partner's capital contributions will be reduced by \$.61 per dollar of credit differential. If the project delivers Federal LIH Credits in excess of the projected amount(s) for the first year of the credit period, the total capital contribution will be increased by \$.61 per dollar of the credit differential. The timing adjusters may vary between LOI and final closing as IRR changes. If the increase in first year Federal LIH Credits results in any loss of Federal LIH Credits due to the 2/3 rule, the increase will be reduced by both the permanent loss of Federal LIH Credits and present value of the rescheduled credit delivery.

3. Recapture Adjuster

If the actual Federal Credits allocated to the Limited Partner on the Federal tax return are less than projected (after adjustments per D.1 and D.2 above), or there is recapture of Federal Credits, then the Limited Partner's capital will be reduced by \$1.00 for every dollar reduction in the amount of Federal Credits plus any interest and penalties imposed by the IRS.

If it is determined that a recapture adjuster will be applicable in subsequent years, the full adjuster for the future years will be made at the time of the initial determination. If the unpaid capital contributions are less than this adjustment, the General Partner will make a cash contribution in the amount of the deficiency on an after-tax basis. This contribution will be distributed to the Limited Partner.

4. Depreciation Adjuster

Failure to make various General Partner or Sponsor tax and Project depreciation elections as called for in the projections and the Partnership Agreement will result in a reduction in capital contributions to reflect the reduction in benefits. If unpaid capital contributions are less than such adjustment, the General Partner will be required to make a cash contribution up to the amount of such reduction in tax benefits on an after-tax basis. This contribution will be distributed to the Limited Partner.

5. Excluded Credit Adjustment Amount

There will be no adjuster for any reduction or recapture of Credits if such reduction or recapture is due solely to (i) an act or omission of the Limited Partner in violation of the Partnership Agreement; (ii) the transfer by the Limited Partner of all or a portion of its interest in the Partnership; or (iii) any change in the Code that occurs after the effective date of the Partnership Agreement with which the General Partner is unable to comply despite the exercise of good faith and reasonable efforts.

E. Application of Cash Flow and Refinance or Sale Proceeds**1. Cash Flow**

Cash remaining after funding operating expenses, reserve deposits, and required debt service will be applied according to the following priorities:

- a) to the Limited Partner for:
 - i. unpaid credit deficiency
 - ii. taxes owed on taxable income allocated to the Limited Partner
 - iii. unpaid Investor Services Fees
- b) to replenish the operating reserve to required level
- c) to the property manager for the cash flow portion of property management fee
- d) to the developer to pay off remaining deferred Development Fee
- e) to the General Partner
 - i. to reimburse operating deficit contributions
 - ii. for Partnership Administration Fee
- f) Contingent loan payments with limits for each loan scheduled in the projections and in accordance with the loan documents
- g) A percentage to the General Partner accompanied by a special allocation of income of such amount and the remainder to the Limited Partner per Section B above

2. Refinance or Sale Proceeds

The proceeds of a refinance or sale of the Partnership property, net of paying off outstanding debt, will be distributed according to the following priorities:

- a) to the Limited Partner for
 - i. unpaid credit deficiency
 - ii. taxes owed resulting from the sale or refinancing
 - iii. unpaid Investor Services Fees
- b) to the developer for unpaid Development Fee
- c) to the General Partner for:
 - i. reimbursement of operating deficit contributions and credit adjuster advances
 - ii. Partnership Administration Fee
- d) Distributions to the General Partner and the remainder to the Limited Partner according to Refinance or Sale Proceeds Split

F. Disposition of the Limited Partner's Interest

The Limited Partner will have an absolute right to withdraw from the Partnership after the credit period. Beginning after the credit period the Limited Partner may require the General Partner or its designee to purchase the Limited Partner's entire interest in the Partnership for one thousand

dollars (\$1,000.00) provided the General Partner provides adequate protection against the possibility of tax credit recapture through the end of the compliance period.

The General Partner will have the following purchase options:

1. Purchase of the Limited Partner's Interest

The General Partner will have the option to purchase the Limited Partner's interest at the end of the initial compliance period for a price ("Buyout Price") equal to the greater of (a) the appraised value of the Limited Partner's interest, or (b) any taxes payable by the Limited Partner attributable to the sale of its interest in excess of projections.

2. Purchase of the Project

After the initial compliance period, the General Partner will have the option to purchase the Project for a price equal to the greater of (a) the appraised value of the Project, or (b) the total amount of any taxes payable by the Limited Partner due to the sale plus debt on the Project in excess of projections.

3. Right of First Refusal

The Sponsor, or another qualified 501(c)(3) corporation approved by Enterprise, will have a right of first refusal to purchase the real estate of the Partnership for a price equal to the sum of: (i) taxes payable by the Limited Partner due to the sale, and (ii) outstanding debt secured by the real estate.

G. General Partner Obligations

All obligations of the General Partner, including but not limited to the following, will be guaranteed by Housing Kitsap (the "Guarantor"). The General Partner and Guarantor must demonstrate to Enterprise, in its sole and absolute discretion, their ability to provide meaningful guarantees.

1. Guarantees

- a) Achieve lien-free construction completion, cover all cost overruns during construction, ensure payment of all development costs (including any demolition, relocation, environmental remediation and infrastructure construction necessary for the completion of the Project), and convert to permanent financing at the amounts and terms shown in the projections. Advances under this guarantee will not be reimbursed. Funding under this guarantee may be in the form of a cash-flow contingent loan at the Limited Partner's sole discretion after tax analysis.
- b) Advance funds needed to cover operating deficits until the later of the Stabilization Date or Loan Conversion.
- c) After the later of the Stabilization Date or Loan Conversion, advance funds needed to cover operating deficits up to 6 months of operating expenses, reserve contributions, and debt service currently scheduled to be \$794,000. The duration of this guarantee is at least 5 consecutive audited years (including the calendar year of Stabilization or Loan Conversion) following the later of Loan Conversion or Stabilization Date. This guarantee

will continue until such time as:

- i. the operating reserve is funded as per Projections
 - ii. the Project has achieved the Coverage Ratio for the final 2 consecutive years of the guarantee period. This ratio may be adjusted during underwriting to maintain a minimum Coverage Ratio during the initial compliance period
 - iii. the project-based rental subsidy is in full force and effect per the projections.
- d) Contribute capital to fund:
- i. adjusters as described in Section D above;
 - ii. reserve accounts not funded due to capital contribution adjustments; and
 - iii. unpaid Development Fee at the end of the compliance period.
- e) Repurchase the Limited Partner's interest upon an Event of Bankruptcy with respect to the General Partner or the Guarantor prior to the Completion Date or if the Partnership fails to:
- i. Qualify for Federal LIH Credits for failing the 50% test as required in Code Section 42(h)(4)
 - ii. Achieve the minimum set-aside test for the Project
 - iii. Achieve at least 75% of the projected Federal LIH Credit
 - iv. Operate at break-even for 3 consecutive months within 18 months of the Completion Date
 - v. Achieve Loan Conversion
 - vi. Maintain any loan commitment which is not replaced by a comparable commitment acceptable to the Limited Partner
 - vii. Receive 8609s by September 1 of the year after the first year of the credit period for the last building placed in service

The repurchase price will be 100% of capital contributions made to date plus interest at the Prime Rate plus 2%, plus the costs and expenses incurred (including reasonable attorneys' fees incurred to enforce these provisions) less the credits allocated to the Limited Partner not subject to recapture.

- f) Indemnify the Partnership and the Limited Partner for any income tax liability on an after-tax basis or costs to remove liens realized by the Partnership or the Limited Partner in any taxable year attributable to any taxable grant not approved by the Limited Partner or to any deemed sale of State Credits. This indemnification is a recourse obligation of the General Partner and shall survive the dissolution of the Partnership and/or the insolvency, bankruptcy, removal, or withdrawal of the General Partner.
- g) Indemnify the Partnership and the Limited Partner from any loss incurred due to the General Partner's actions or environmental violations.

2. Reserve Requirements

- a) The operating reserve (the “Operating Reserve”) will be funded in the total amount of at least 6 months of operating expenses, reserve contributions, and debt service and is currently scheduled to be \$794,350. After the Project has achieved the Stabilization Date and Loan Conversion, the General Partner will be permitted to use the Operating Reserve prior to making Operating Deficit Contributions to the extent the Operating Reserve has been funded as of the date of the deficit.

Upon termination and winding up of the Partnership, subject to the provisions of the Limited Partnership Agreement, the balance in the Operating Reserve shall be used to pay any tax (including exit and transfer taxes) imposed on the Partnership, the Limited Partner and its partners as a result of the sale of the Partnership Property and winding up of the Partnership or for other uses approved by the Limited Partner. Paying off Sponsor Notes is an eligible use of these funds.

With respect to the Operating Reserve scheduled to be funded from capital subsequent to the operating deficit guarantee period, the Limited Partner shall not unreasonably withhold funding of the reserves on or prior to the scheduled date in an amount necessary to fund operating deficits, provided that:

- i. The Limited Partner would approve release of these amounts from the funded Operating Reserve under the terms of the Partnership Agreement, and
 - ii. Funding early will not otherwise adversely affect the Limited Partner. If loss of credits or recapture costs are anticipated, then the Limited Partner may withhold funding of the Operating Reserve to effectively fund the adjuster. If the IRR to the investor would drop due to early funding of the Operating Reserve, then at the request of the Limited Partner, the General Partner shall undertake reasonable steps to maintain the projected IRR.
- b) The lease-up reserve (“Lease-Up Reserve”) must be budgeted in the amount needed to cover the projected deficits prior to the Stabilization Date as projected. Borrowing authority under construction period loans may be used as a source. After the Stabilization Date, unused funded Lease-Up Reserve will reimburse development advances or reduce deferred development fee or partner or other loans (with the approval of the Limited Partner) with any remaining balance deposited into the Operating Reserve.
- c) The replacement reserve (the “Replacement Reserve”) will be funded from operations in the amount of at least \$100 per unit per year, increasing 3% annually and \$905,000 will be capitalized with the schedule of funding attached (from equity). For rehabilitation projects, the physical needs over time analysis may indicate that a higher annual contribution is required.

H. Opinion of Counsel & Syndication Costs

The Limited Partner's attorneys will prepare the Partnership Agreement, review due diligence, and prepare the tax opinion. The Partnership will pay the Limited Partner's attorney fees, estimated to be \$50,000 but could be greater in the event of an extended closing schedule or extraordinary deal complexities.

The Limited Partner will require a satisfactory opinion of Partnership's counsel on certain corporate and other matters including formation of the Partnership, limited liability of the Limited Partner, no conflict between the Partnership Agreement and other binding contracts, no litigation, etc. The General Partner and the Partnership's counsel will prepare all other necessary documents, collect due diligence, legal opinions, and perform other work necessary to complete the transaction.

The Partnership will pay the costs, estimated to be \$60,000, of construction plan review and inspections as commissioned by the Limited Partner.

I. Reporting

The Partnership will deliver to the Limited Partner:

- a) quarterly unaudited financial statements not later than 15 days after the end of each period
- b) annual draft audited financial statements and draft tax returns not later than 45 days after the end of each year and final audited financial statements and final tax returns not later than 60 days after the end of each year. The audit and tax return must be prepared by a certified public accountant approved by Enterprise. Late delivery of annual audited financial statements or tax returns obligates the General Partner to pay to the Limited Partner the sum of \$50 dollars per day for the first 30 days such audit or tax return is late, and \$100 per day thereafter

J. Additional Requirements

In addition to the conditions set forth above, any investment by the Limited Partner is contingent upon availability of capital at the time of closing and upon review and approval by Enterprise's Investment Committee, in its sole and absolute discretion, of all of the following:

- An award of tax exempt bond authority from the relevant agency, a bond inducement resolution issued, and evidence that the project qualifies for Federal LIH Credits in the amount of the Federal LIHTC Allocation because 50% or more of the project is financed with tax exempt bonds subject to the volume cap, as provided in Section 42(h)(4)(B) of the Code
- Market demand, Rent, and Operating Expenses
- Management Agent and Management Plan
- Phase I Environmental Assessment including radon, lead paint and asbestos reports, as applicable
- Commitments and documents from all other sources of financing
- Legal or other opinions
- Any other items material to the underwriting of the Project
- Partnership Agreement
- Investor approval

Enterprise may waive any of the conditions to closing set forth in this letter. The waiver of any condition does not constitute a waiver of any remaining conditions.

The Sponsor acknowledges that this letter of interest is proprietary and confidential and may not be shared with competing investors or any other developer. Upon execution of this letter, Enterprise will commence its underwriting and due diligence review and will have its outside counsel commence the preparation of the transaction documents. The Sponsor agrees that Enterprise will have an exclusive right to syndicate the credits for this Project which will terminate if the Limited Partner has not been admitted to the Partnership within 90 days after the projected closing date. Enterprise reserves the right to terminate this letter if the Limited Partner has not been admitted to the Partnership within 90 days after the projected closing date.

This letter of interest will expire if the counter-signed copy is not received by Enterprise by the 11th day after the date of this letter. Please remit one fully executed copy right away. We look forward to working with you!

Sincerely,
ENTERPRISE COMMUNITY INVESTMENT, INC.

A handwritten signature in black ink, appearing to read "Philip Porter", is written over a horizontal line.

Philip Porter, Vice President

Agreed and accepted:

By:

Title:

PROJECT ASSUMPTIONS

The terms and conditions are based on the following assumptions, which may be adjusted prior to closing:

1. Market rents as established by the Enterprise market analyst are at least 10% above the scheduled unsubsidized rents and at least equal to the rental subsidy contract rents.
2. Total vacancy loss (physical vacancy plus loss to lease and bad debt) rate of 5%.
3. Annual operating expenses of \$5,039 per unit net of Replacement Reserves and Investor Services Fee.
4. Should the Project not break even, the Property Management Fee paid to parties related to the General Partner or Guarantor will be deferred and collected from Cash Flow.
5. Enterprise assumes that the rate for the permanent mortgage will be locked at closing using a fixed-rate construction-permanent product or a forward commitment which encompasses the projected construction, leasing, and stabilization period with a cushion. Swaps are not acceptable. Debt service covenants which would put the project into default as long as payments are being made are generally unacceptable.
6. The project will have project-based operating, service, or rental subsidy in the form of a 15-year Section 8 HAP contract for 153 units through the Rental Assistance Demonstration (RAD) program. In the event the rental or operating or service subsidies are not in full force and effect as per the projections, we assume the property could achieve \$1,596,126 base year gross rent potential due to adjusted use and rent restrictions. The following adjustments to use and rent restrictions and operating expenses which need to be supported during underwriting follow:
 - Rents on RAD units will be set to the lower of the RAD contract rent, 60% AMI maximum rent, or 90% of market rents
 - 7% vacancy for all units
 - No adjustments to operating expenses
7. The Project contractor will provide a 15% letter of credit or 100% payment and performance bond. Retainage will be 10% through completion unless limited by state law.
8. Construction will begin by June 1, 2019 and will be complete by July 1, 2020. Liquidated damages for delayed delivery will be built into the General Contract according to the following minimum standards:
 - Contracts over \$10MM up to \$15MM: \$1,500 per day
 - Contracts over \$15MM: \$2,000 per day
9. For projects in Uniform Building Code zones 3 or 4, a seismic survey will be required. Enterprise will not invest in projects with a Scenario Expected Loss ratio (SEL) above 40% post completion. Until such time as the SEL is below 20%, then earthquake insurance sufficient to cover replacement with a deductible of no more than 5% of insured value will be required.
10. Depreciation according to the following base election schedule, but with special allocations as specified in the projections (including depreciating soft costs pro-rata according to the useful lives of the hard costs):

Depreciation Assumptions

Is FP GP a For-Profit Subsidiary of a Non-Profit?

Will a 168 (h) (6) Election be made?

Is there a Commercial Depreciation Override?

Will there be a Building by Building Override?

Will there be Soft Cost Allocation?

Depreciable Life of Building

Depreciable Life of Furniture, Fixtures, Equipment

Depreciable Life of Site Work

Will there be Bonus Depreciation?

No	
No	
No	
No	
Yes	
30.0	Years
5	Years
15	Years
Yes	

11. The financing and tax structure will be approved by our tax attorney.

Project Loan Information:**Important:**

Enter Loans in Lien Priority at Sale

Lender Name

Financing Source

Loan Amount:

Interest Rate:

Mortgage Insurance Premium

Fixed or Variable

Term (Years):

Amortization

Loan Type

Loan Repayment Type

Loan First Payment Date:

No. of Months in First Year:

Monthly Payment

Annual Payment:

MIP Payment (1st Year):

Non-Recourse Loan?

Related Party Loan?

Federal Loan

Loan Restrictions

¹ Bellwether Enterprise Real Estate Capital, LLC**CASH FLOW CONTINGENT LOAN OPTIONS (DO NOT COMPLETE CELLS BELOW FOR LOANS THAT ARE "MUST-PAY")**

Percent of Cash Flow Available:

Interest Rate Paid (if different)

Interest-Only or P&I

Compound Interest-See Eff. Int. Calc. for Simple Int.

Fixed Payment:

Accrued Interest During Construction:

Comments:

Loan Maturity Due Date

Notes:	LOAN 1	LOAN 2	LOAN 3	LOAN 4
	Hunt Mortgage HUD 221d4 Bonds	Deferred Developer Fee	Seller Note	Sponsor Loan
1.1510	FHA Insured	Other	Other	Other
	14,366,190	0	6,317,500	4,704,165
	4.33%	0.00%	4.25%	8.00%
	0.25%			
	Fixed	Fixed	Fixed	Fixed
	40	15	55	55
	40	15	55	55
	Conventional Must pay	Deferred Develop. Fee	Contingent	Contingent
	Fully Amortizing	Cash Flow Conting	Cash Flow Conting	Cash Flow Conting
	9/1/2020	12/31/2019	6/1/2019	9/1/2020
	4	1	7	4
	63,024	0	0	0
	756,283	0	0	0
	35,915	0	0	0
	Non-Recourse	Non-Recourse	Non-Recourse	Non-Recourse
	Non-Related Party	Non-Related Party	Non-Related Party	Non-Related Party
	No	No	No	No
	100.00%	100.00%	10.00%	89%
	4.33%	0.00%	4.25%	8.00%
	P&I	P&I	P&I	P&I
	Compound	Compound	Compound	Compound
				470,417
	8/31/2060		5/31/2074	9/1/2075

Other Sources	Financing Source	Amount
Accrued Interest	Other	470,417

Construction Loan Information

	Construction Loan #1 ☐	Construction Loan #2 ☒	Construction Loan #3 ☐
Lender Name:	Hunt Mortgage HUD 221d4 Bonds	Series B Bonds	Sponsor Loan
Loan Amount:	54.9% 14,366,190	3,393,120	4,704,165
Interest Rate:	4.33%	0.50%	8.00%
Rate is based on: (Libor + X bps, etc.)			
Term (Months)	24	24	
Construction Loan Payoff Date (per draw schedule)			
Maturity Date (per loan documents)			
Allowable Extensions (in months)			

Quarterly Capitalization	CONSTRUCTION INTEREST VERIFICATION		
	Loan #1	Loan #2	Loan #3
Months of Construction	15	15	15
Construction % Carry	40.0%	40.0%	100.0%
Months of Interest Carry	0	0	0
Interest During Construction	311,028	8,483	470,417
Interest During Carry	0	0	0
Total Interest	311,028	8,483	470,417
	TOTALS		
Interest During Construction	789,927		
Interest During Carry	0		
Total Interest	789,927		



Board of Commissioners

Agenda Item Summary

MEETING DATE: October 23, 2018

AGENDA ITEM: 5.B.

AGENDA TITLE: Consideration of a motion to authorize the Executive Director to execute an amendment to the inter-local agreement with the Bremerton Housing Authority for the management of the Section 8 Housing Choice Voucher program

SUBMITTED BY: Stuart Grogan

TITLE: Executive Director

Reviewed and approved for inclusion in the packet by: Executive Director

ATTACHMENTS: Draft amendment in redline and final draft formats

STRATEGIC PLAN LINK: Goal 1

FISCAL IMPACT: +/- \$40,000 decrease to HK.

RECOMMENDATION: Authorize the Executive Director to execute document.

SUMMARY STATEMENT:

The Bremerton Housing Authority has requested an amendment to the inter-local agreement for their management of HK's Section 8 Vouchers. They have proposed an increase of 15% which would increase their rate from 80% - 95% of the administrative fee. The request is due to the increased workload, but that is the only change.

RECOMMENDED ACTION:

Motion to authorize the Executive Director to execute an amendment to the inter-local agreement with the Bremerton Housing Authority for the management of the Section 8 Housing Choice Voucher program.

On September 28, 2018, Housing Kitsap received the following request from the Bremerton Housing Authority as well as the attached red and black line copies of the proposed amendment.

As I shared on the phone, it's necessary to revise the terms of the Interlocal Agreement between Housing Kitsap and BHA for the administration of your agency's Section 8 Housing Choice Voucher program. The current document was executed nearly twelve years ago. The only change we are proposing is compensation, from 80% of the administrative fee to 95%. I've attached both a red-line version of the current agreement and a clean copy of what we propose.

As background, BHA has been managing HK's Section 8 program for at least two decades and likely much longer. This HCV management relationship has worked well for both agencies, but far more importantly, it has served the community with seamless, quality services to rental property owners and low-income households. However, the compensation for BHA performing contract services is no longer adequate for the significant tasks specified under the agreement and which is required by HUD.

The work of running a Housing Choice Voucher program is complex and requires a technically proficient staff of housing and finance professionals. The work they do includes accepting program applications, managing a wait list, certifying initial eligibility, calculating participant rent, processing Requests for Tenancy Approval documents from prospective landlords, scheduling and conducting Housing Quality Standard inspections and re-inspections, negotiating contract rent amounts, conducting Rent Reasonableness surveys for each individual participating property, reviewing and approving lease agreements, conducting orientation briefings for new participants, executing Housing Assistance Payment contracts on behalf of participants with their landlord, paying rent subsidies each month to owners, scheduling and conducting annual and special Housing Quality Standards inspections, processing interim rent changes when requested by participants experiencing a change in income or circumstances, conducting and implementing annual utility allowance surveys, reconciling monthly Housing Assistance Payments to owners, making ACH payments to owners, printing and mailing checks for owners who decline ACH payments, processing owner changes, determining and implementing Benefit Payment Standards for rent calculations, monitoring participant and landlord compliance with program regulations, mediating conflicts between participants and landlords, taking appropriate action when contractual obligations are breached, conducting Informal Hearings, holding regular community outreach meetings for local landlords to educate and encourage participation. I've probably left out other tasks.

Needless to say, the scope of work we undertake on behalf of Housing Kitsap is enormous. Our staff have taken great pride in ensuring that Housing Kitsap receives “High Performer” status each year as part of HUD’s Section 8 Management Assessment Program (SEMAP).

We have recently been informed that due to the “opt-out” of at least 3 federally assisted multi-family apartment complexes (Peninsula Glen, Viewmont East, and Heritage) in your jurisdiction, our staff will be taking on an even greater workload in the coming 12 months as we schedule individual and group meetings with residents of these 3 properties, explain their rights under HUD’s tenant protection voucher program, conducting eligibility reviews, calculate participant rent portions, process Request for Tenancy Approval documents for those staying or moving with continued assistance, negotiate rents, conduct inspections, and many other tasks associated with opt-out requirements.

BHA is simply unable to maintain the level of service and workload on 80% of the HUD administrative fee. The work Housing Kitsap does for 20% of the administrative fee is limited to monthly Voucher Management System reconciliation with HUD, a simple task that at best should take one person one day a month to complete.

The attached proposed Interlocal Agreement keeps all terms and conditions intact, save a change in administrative fee distribution from 80% to 95% to BHA.

We respectfully ask that you review the proposed agreement and execute within the next month. I’m happy to discuss any concerns you might have with the change in compensation. We believe this is a fair agreement, one that will continue to ensure seamless service to the community of this vital rental assistance program.

Staff has reviewed the proposal and recommends that the Board approve the proposed language change.

Inter-Local Agreement - DRAFT

Between ~~the Housing Authority of the City of Bremerton and~~ Bremerton Housing Authority and

~~The Kitsap County Consolidated Housing Authority~~ (dba Housing Kitsap)

For Section 8 Housing Choice Voucher Management

This **AGREEMENT** made and entered into on [date], by and between ~~the Kitsap County Consolidated Housing Authority~~ Housing Kitsap (HK) and ~~the~~ Bremerton Housing Authority (BHA).

~~(KCCHA)~~

WITNESSETH:

WHEREAS, both parties share a mutual goal, and common mission, in the deconcentration of poverty throughout Kitsap County;

WHEREAS, both parties participate in the HUD Section 8 Housing Choice Voucher Program (HCV);

WHEREAS, BHA has the expertise and capacity to administer the ~~KCCHA~~ Housing Kitsap HCV program;

WHEREAS, ~~KCCHA~~ Housing Kitsap desires to have BHA administer its HCV program and BHA is willing to do so, all upon the terms and provisions set forth below;

WHEREAS, both parties recognize that the population served through the HCV program will benefit by removing jurisdictional restrictions to housing choice;

WHEREAS, both parties have previously entered into an Inter-Local Agreement to their mutual benefit;

WHEREAS, the parties desire to enter into this Agreement pursuant to RCW 35.82.100 which provides for cooperation between housing authorities.

NOW, THEREFORE, in consideration of the covenants and promises herein contained, it is agreed as follows:

1. **Incorporation of Recitals:** The foregoing recitals are incorporated herein by this reference.
2. **Project Information:**

~~Kitsap County Consolidated Housing Authority~~ Housing Kitsap

ACC Contract Number

Number of
Baseline
Vouchers

WA036	374
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Bremerton Housing Authority

ACC Contract Number	Number of Baseline Vouchers Number of Vouchers
WA003	1,059 <u>856</u>

3. **Management and Administrative Services:** BHA shall provide the management and administrative services necessary and incidental to the operation of the ~~KCCHA~~ Housing Kitsap HCV program. Such services shall include, but not necessarily be limited to, the following:

- a. Administer the HCV program in accordance with the existing BHA Section 8 Administrative Plan, as adopted by the ~~KCCHA-Housing Kitsap~~ Board of Commissioners. The ~~KCCHA-Housing Kitsap~~ Board of Commissioners will be notified of any changes to the Section 8 Administrative Plan.
- b. Pay Housing Assistance Payments (HAP) to Section 8 property owners.
- c. Conduct annual and interim re-certifications for Section 8 participants.
- d. Conduct Housing Quality Standards (HQS) inspections, including initial, exit, special and annual inspections.
- e. Process damage claims of those leases signed prior to November 25, 1995 (implementation of conforming rule).

In the course of providing such services, BHA shall comply with any and all applicable laws, rules and regulations, including, but not limited to:

- a. Those of HUD which are now or may hereafter be in effect
- b. Fair Housing and Nondiscrimination
- c. Equal Employment Opportunity
- d. Accessibility and Reasonable Accommodation
- e. Employment and Contracting Opportunities for Low-Income Businesses and Persons

BHA shall maintain the Section 8 tenant files and provide ~~KCCHA-Housing Kitsap~~ with regular monthly/annual reports to include:

- a. Monthly billing with a list of Section 8 tenants and corresponding HAP payment
- b. Monthly occupancy reports
- c. Monthly Hard-to-House reports
- d. Annual program utilization reports

- ~~KCCHA-Housing Kitsap~~ shall provide BHA with monthly and annual occupancy reports to provide the data necessary for BHA to maximize utilization.
4. **Compensation:** ~~KCCHA-Housing Kitsap~~ shall compensate BHA for Section 8 management and administrative services by remitting to BHA a sum equal to ~~80~~⁹⁵% of the administrative fee eligible for the operation of the ~~KCCHA-Housing Kitsap~~ HCV program as a fee for services. It is further provided that ~~KCCHA-Housing Kitsap~~ shall reimburse BHA for any hard-to-house fees and administrative fees for ~~KCCHA-Housing Kitsap~~ portable vouchers.
 5. **Jurisdictional Boundaries:** BHA and ~~KCCHA-Housing Kitsap~~ agree that the needs of their mutual clients, through the Housing Choice Voucher program, are best served through a liberal interpretation of existing jurisdictional boundaries allowing for freedom to reside throughout Kitsap County, with respect to HCVs issued by either agency, in order to encourage deconcentration of poverty and increase the housing options available to voucher holders.
 6. **Portability:** Regarding ~~KCCHA-Housing Kitsap~~ outgoing portable vouchers, BHA will be reimbursed for 100% of the administrative fee paid by HUD to ~~KCCHA-Housing Kitsap~~. All incoming portable vouchers will be assigned a BHA number and be administered by BHA.
 7. **Contract Changes, Modifications and Amendments:** This Agreement may be waived, changed, modified or amended only by written Agreement executed by both parties.
 8. **Term:** This Agreement shall be for an indefinite term, and either party may terminate and cancel the said Agreement upon ninety (90) days prior written notice to either party without penalty and without cause. Upon such termination the parties agree to determine the procedures to expedite the implementation and completion of the function necessary to transfer from BHA to ~~KCCHA-Housing Kitsap~~ including, but not limited to, the transfer of files and other documentation incidental to such administration.
 9. **Governing Law:** This Agreement shall be governed and construed in accordance with the applicable laws, rules and regulations of the U.S. Department of Housing and Urban Development (HUD) and the State and local laws of the State of Washington.
 10. **Notices:** Any notices called for hereunder shall be mailed by certified mail, return receipt requested, or personally delivered, as follows:

~~Kitsap County Consolidated Housing Authority~~~~Housing Kitsap~~
~~345 6th Street Suite 100~~~~2244 NW Bucklin Hill Road~~
~~Bremerton, WA 98337~~~~Silverdale, WA 98383~~
Attn: Executive Director

~~Norman S. McLoughlin~~Stuart Grogan

Executive Director

~~Kitsap County Consolidated Housing Kitsap~~
~~Housing Authority~~

~~345-6th Street Suite 100~~2244 Bucklin Hill Road ~~345-6th Street Suite 200~~600 Park Avenue
~~Bremerton, WA 98337~~Silverdale, WA 98383 Bremerton, WA 98337

(360) ~~692-5596~~535-6100

Kurt Wiest

Executive Director

~~Bremerton~~ Housing Authority ~~of the~~
~~City of Bremerton~~

~~345-6th Street Suite 200~~600 Park Avenue
~~Bremerton, WA 98337~~Silverdale, WA 98383

(360) ~~479-3694~~616-7240

Date: _____

Date: _____

Inter-Local Agreement
Between Bremerton Housing Authority and
Kitsap County Consolidated Housing Authority (dba Housing Kitsap)
For Section 8 Housing Choice Voucher Management

This **AGREEMENT** made and entered into on [date], by and between Housing Kitsap (HK) and Bremerton Housing Authority (BHA).

WITNESSETH:

WHEREAS, both parties share a mutual goal, and common mission, in the deconcentration of poverty throughout Kitsap County;

WHEREAS, both parties participate in the HUD Section 8 Housing Choice Voucher Program (HCV);

WHEREAS, BHA has the expertise and capacity to administer the Housing Kitsap HCV program;

WHEREAS, Housing Kitsap desires to have BHA administer its HCV program and BHA is willing to do so, all upon the terms and provisions set forth below;

WHEREAS, both parties recognize that the population served through the HCV program will benefit by removing jurisdictional restrictions to housing choice;

WHEREAS, both parties have previously entered into an Inter-Local Agreement to their mutual benefit;

WHEREAS, the parties desire to enter into this Agreement pursuant to RCW 35.82.100 which provides for cooperation between housing authorities.

NOW, THEREFORE, in consideration of the covenants and promises herein contained, it is agreed as follows:

1. **Incorporation of Recitals:** The foregoing recitals are incorporated herein by this reference.
2. **Project Information:**

Housing Kitsap	
ACC Contract Number	Number of Baseline Vouchers
WA036	374

Bremerton Housing Authority

ACC Contract Number	Number of Baseline Vouchers
WA003	1,856

3. **Management and Administrative Services:** BHA shall provide the management and administrative services necessary and incidental to the operation of the Housing Kitsap HCV program. Such services shall include, but not necessarily be limited to, the following:
- a. Administer the HCV program in accordance with the existing BHA Section 8 Administrative Plan, as adopted by the Housing Kitsap Board of Commissioners. The Housing Kitsap Board of Commissioners will be notified of any changes to the Section 8 Administrative Plan.
 - b. Pay Housing Assistance Payments (HAP) to Section 8 property owners.
 - c. Conduct annual and interim re-certifications for Section 8 participants.
 - d. Conduct Housing Quality Standards (HQS) inspections, including initial, exit, special and annual inspections.
 - e. Process damage claims of those leases signed prior to November 25, 1995 (implementation of conforming rule).

In the course of providing such services, BHA shall comply with any and all applicable laws, rules and regulations, including, but not limited to:

- a. Those of HUD which are now or may hereafter be in effect
- b. Fair Housing and Nondiscrimination
- c. Equal Employment Opportunity
- d. Accessibility and Reasonable Accommodation
- e. Employment and Contracting Opportunities for Low-Income Businesses and Persons

BHA shall maintain the Section 8 tenant files and provide Housing Kitsap with regular monthly/annual reports to include:

- a. Monthly billing with a list of Section 8 tenants and corresponding HAP payment
- b. Monthly occupancy reports
- c. Monthly Hard-to-House reports
- d. Annual program utilization reports

Housing Kitsap shall provide BHA with monthly and annual occupancy reports to provide the data necessary for BHA to maximize utilization.

4. **Compensation:** Housing Kitsap shall compensate BHA for Section 8 management and administrative services by remitting to BHA a sum equal to 95% of the

administrative fee eligible for the operation of the Housing Kitsap HCV program as a fee for services. It is further provided that Housing Kitsap shall reimburse BHA for any hard-to-house fees and administrative fees for Housing Kitsap portable vouchers.

5. **Jurisdictional Boundaries:** BHA and Housing Kitsap agree that the needs of their mutual clients, through the Housing Choice Voucher program, are best served through a liberal interpretation of existing jurisdictional boundaries allowing for freedom to reside throughout Kitsap County, with respect to HCVs issued by either agency, in order to encourage deconcentration of poverty and increase the housing options available to voucher holders.
6. **Portability:** Regarding Housing Kitsap outgoing portable vouchers, BHA will be reimbursed for 100% of the administrative fee paid by HUD to Housing Kitsap. All incoming portable vouchers will be assigned a BHA number and be administered by BHA.
7. **Contract Changes, Modifications and Amendments:** This Agreement may be waived, changed, modified or amended only by written Agreement executed by both parties.
8. **Term:** This Agreement shall be for an indefinite term, and either party may terminate and cancel the said Agreement upon ninety (90) days prior written notice to either party without penalty and without cause. Upon such termination the parties agree to determine the procedures to expedite the implementation and completion of the function necessary to transfer from BHA to Housing Kitsap including, but not limited to, the transfer of files and other documentation incidental to such administration.
9. **Governing Law:** This Agreement shall be governed and construed in accordance with the applicable laws, rules and regulations of the U.S. Department of Housing and Urban Development (HUD) and the State and local laws of the State of Washington.
10. **Notices:** Any notices called for hereunder shall be mailed by certified mail, return receipt requested, or personally delivered, as follows:

Housing Kitsap
2244 NW Bucklin Hill Road
Silverdale, WA 98383
Attn: Executive Director

Bremerton Housing Authority
600 Park Avenue
Bremerton, WA 98337
Attn: Executive Director

Or to such other address as one party may designate in writing to the other.

11. **Indemnification:** BHA shall protect, save, hold harmless, defend and indemnify Housing Kitsap from all claims, costs, damages, or expenses arising out of the negligence or failure of BHA to perform its obligations under this Agreement. Housing Kitsap shall protect, save, hold harmless, defend and indemnify BHA from all claims, costs, damages or expenses arising out of the negligence of Housing Kitsap, or failure of Housing Kitsap to perform its obligations under this Agreement. In the case of negligence of both BHA and Housing Kitsap, any damages allowed shall be levied in proportion to the percentage of negligence attributed to each party.
12. **Non-Waiver:** The failure by either party to strictly enforce the terms and provisions of this Agreement on any one or more occasions shall not be construed as a waiver of that party's right to strictly enforce such provision(s) in the future.
13. **Attorney's Fees:** the substantially prevailing party in any action or proceeding to interpret or enforce the terms hereof shall be entitled to recover their costs and expenses incurred, including reasonable attorney's fees.
14. **Subcontracts:** BHA shall not subcontract with another entity to administer the Housing Kitsap Section 8 Program. However, with prior written approval of Housing Kitsap, BHA may contract with an individual or an agency for a particular service (e.g., a qualified Housing Quality Standards inspector) on a fee basis. This type of subcontracting may be approved by Housing Kitsap when BHA demonstrates in writing that it will be cost effective and will enhance the proper administration of the program. Any such subcontracting, however, shall not relieve BHA of its responsibilities and obligations under this Agreement.
15. **Binding Effect:** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successor and permitted assigns.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed as of the [date].

Housing Kitsap

Bremerton Housing Authority

By: _____

By: _____

Stuart Grogan
Executive Director
Housing Kitsap

Kurt Wiest
Executive Director
Bremerton Housing Authority

2244 Bucklin Hill Road
Silverdale, WA 98383
(360) 535-6100

600 Park Avenue
Bremerton, WA 98337
(360) 616-7240

Date: _____

Date: _____



Board of Commissioners

Agenda Item Summary

MEETING DATE: October 23, 2018

AGENDA ITEM: 6.A.

AGENDA TITLE: Executive Director Update

SUBMITTED BY: Stuart Grogan

TITLE: Executive Director

Reviewed and approved for inclusion in the packet by: Executive Director

ATTACHMENTS: Monthly summary

STRATEGIC PLAN LINK: Supports Goals 1 - 5

FISCAL IMPACT: None, update only

RECOMMENDATION: None

SUMMARY STATEMENT:

The attached report provides an update on the Executive Directors activities from the prior month including announcements, updates on pending legislation, and areas of potential risk to HK.

RECOMMENDED ACTION:

Staff will provide any updates that may have occurred since the writing of this report and will be available to respond to any questions.

A. Executive Director (Stuart Grogan)

1. The following is a brief summary of the activities I have been involved with since the last meeting of the Board:

- Executive Director:
 - Was out of the office shortly after leave at the end of September for illness;
 - Board of Commissioners;
 - Met with Commissioner Putaansuu regarding the agenda for the next meeting;
 - Participated in a Special Meeting of the Board of Commissioners;
 - Met with the Finance Committee of the Board;
 - Met with the State Auditor's Office representatives, staff, and Finance Committee members to review the status of their report;
- Development:
 - Rental Assistance Demonstration (RAD) project:
 - Continued to work on process next steps with consultants including completing the letter of interest evaluation, a call with our transaction consultant at HUD, and with our consulting partners;
 - Suzuki:
 - Met with Housing Resources Bainbridge (HRB) and Olympic Properties Group's (OPG) regarding the potential program;
 - Liberty Bay:
 - Submitted dissolution and transfer documents;
 - GT-3 (Dye's Inlet)
 - Submitted dissolution and transfer documents;
- Real Estate Management and Housing Programs (REMHP):
 - Began recruiting process for replacement for director position;
 - Executed 'work number' contract for access to independent credit and employment checks for residents and home builders;
 - Staff:
 - Regular meeting and informal meetings with program director;
 - Review and follow up on complaints;
 - Review and discuss any HR issues;
- Business and Technology Resources (BTR):
 - Periodic checking with director and staff on progress of multiple projects;
 - Participated in interviews with Controller candidates;
 - Review and discuss any HR issues including plan for Executive director performance review process;
- Self Help:
 - Site visit at Sherman Ridge;
 - Participated in grant application interviews with Technical Review Group;
 - Executed Youth Build agreement for participation and training at construction sites
 - Staff:
 - Regular meeting and informal meetings with program director;
 - Review and discuss any HR issues;

- Office management:
 - Planning for disposal of old equipment and material at 9191;
 - Planning for end of the year staff meeting;
 - Public Records:
 - Check in on status of any pending public records requests;
 - Regular weekly meeting with administrative staff;
- General:
 - Signed
 - Routine checks as second authorized signator; and
 - Confirmed routine wire transfers for debt service and other transfers.

2. Harborside update

The shoreline parcels abutting the Harborside project have been a concern by some of the residents for over a year because of potential bank instability. Because HK owns the shoreline parcels, there is some potential that HK is responsible for ongoing maintenance and stability. Staff met with a City of Bremerton planner to review the process requirements, purpose, timeline and costs to finish a long outstanding development review process.

The City indicated that it would forward copies of the files and reports, the application requirements, timing and fees in September. We have not received that information yet.

Copies of some recent correspondence between one of the property owners and the City is attached for your information and review.

From: Rich Chwaszczewski <chwasz@outlook.com>
Sent: Thursday, September 27, 2018 11:02 AM
To: Ryan Crater
Cc: Lori Smith; Andrea Spencer; Stuart Grogan
Subject: Re: Request for Bluff Update - Housing Kitsap

Ryan,

Thank you for your prompt, thoughtful response. I appreciate the update and offer the following comments.

I have consistently asked for a rip rap installation as the files show it to be the permanent solution of record. The installation of a rip rap revetment was technically recommended to and selected by the project team. The temporary "fix" was considered inadequate by all parties. Converting that work into a permanent "fix" would be acceptable provided it is backed by thorough inspection and competent engineering analyses. I anticipate that the permit process you've previously described to me would support that result. I simply wish to see a traceable decision from the urgency expressed in 2005 to a resolution that assures the bluff's stability. Regarding whether the bluff poses a safety risk, I have documented sloughing and eroded shot-crete near the "fix," which leads me to question its efficacy and to fear the possibility of damage to adjoining properties.

I understand the priorities and constraints given DCD's workload and appreciate your prospective schedule to pursue completion.

Best regards,
Rich

On Sep 26, 2018, at 6:50 PM, Ryan Crater <Ryan.Crater@ci.bremerton.wa.us> wrote:

Hello Rich,

The last activity on this issue occurred when I met with Mr. Grogan from Kitsap Housing to discuss the projects history and what the next steps are to resolve it. I still need to follow up with Mr. Grogan, but I have not had the time to do this based on current workloads that are time sensitive.

Based on my understanding of what has already been completed...the proposed "fix" that has been installed is considered the "fix" and addressed the concerns that came up about the small caves in 2005. Any required follow up permit(s) that need to be secured will only be capturing the work that has already been performed and ensuring it is in compliance. The permit process that will be forthcoming won't produce a requirement that forces Kitsap Housing to install additional riprap along the shoreline as you are requesting should be done. What might happen is that the installed fix could be determined to be fill located waterward of the Ordinary High Water Mark (OHWM) and would then be required to be removed by Ecology under the follow up permit process.

If it is determined that the fill in the caves is located waterward of the OHWM, Kitsap Housing could elect to just remove the fill and take no further action as the cost to install riprap into the side of the bluff and out of waters of the state could be significant. Also, the City can't require a land owner to install riprap to address potential slope issues along the shoreline if they don't want to do that. The intent of the applicable critical area regulations are to allow bluffs such as this one to be left in a natural state with shoreline stabilizations measures being a last resort.

In reviewing the applicable information already on file, I have no reason to believe there is a public safety risk as the fix has been installed already.

For the reasons described above the project hasn't been a top priority, but it is on my list of things to follow up on. I currently plan on following up with Mr. Grogan in mid-October and can provide you with additional details at that time unless otherwise directed from above. Again, please be aware that this process won't result in the City requiring additional riprap to be installed. If that does happen it will only be at the request of the land owner.

Best regards,

Ryan E. Crater

Senior Planner
Department of Community Development
City of Bremerton - 345 6th Street, Bremerton, WA 98337
Physical Location: Suite 600 - Mailing: Suite 100
Phone: 360.473.5279

From: Rich Chwaszczewski [<mailto:chwasz@outlook.com>]
Sent: Sunday, September 23, 2018 1:04 PM
To: Ryan Crater <Ryan.Crater@ci.bremerton.wa.us>
Cc: Greg Wheeler <Greg.Wheeler@ci.bremerton.wa.us>; Andrea Spencer <Andrea.Spencer@ci.bremerton.wa.us>; Allison Satter <Allison.Satter@ci.bremerton.wa.us>; Elaine Valencia <Elaine.Valencia@ci.bremerton.wa.us>
Subject: Request for Bluff Update - Housing Kitsap

Ryan,
Attached is my letter requesting an update on progress.
Sincerely,
Rich

Rich Chwaszczewski
chwasz@outlook.com

Rich Chwaszczewski
chwasz@outlook.com



Date: 23 September 2018

Mr. Stuart Grogan
Executive Director
Housing Kitsap
2244 NW Bucklin Hill Rd
Silverdale WA 98383

Dear Mr. Grogan,

Reference (A): My letter of 9 January 2018 re: SMA Violation
(B): My letter of 17 May 2018 re: HUD FOIA Results
(C): My letter of 18 May 2018 re: Increased Bluff Risk
(D): Kitsap Sun Article published 2 July 2018
(E): DCD (Crater) email of 11 July 2018 re: The Caves

In Reference (A), I advised Housing Kitsap that it was not in compliance with the Shoreline Management Act (SMA) and the City of Bremerton Shoreline Master Program (SMP). Specifically, Housing Kitsap had not obtained a Shoreline Substantial Development Permit (SSDP) for the 2005 emergency slope stabilization of parcel 132401-3-207-2007. Neither had Housing Kitsap extended the riprap revetment to protect this area of high geologic hazard (landslide). In references (B) and (C), I identified other issues related to this parcel. In each letter, I asked that Housing Kitsap act to obtain a SSDP and install a permanent solution for stabilizing the bluff.

Reference (D) reported that the Housing Kitsap Board of Commissioners discussed these concerns at their 26 June 2018 meeting, referring the matter to a subcommittee. Reference (E) mentioned a proposed meeting between you and a senior planner from the City of Bremerton Department of Community Development.

Nine months have elapsed since I first brought the severity of this matter to your attention. Therefore, I respectfully request an update on the progress to clear SMA violations and achieve permanent stabilization of the bluff. Further, I ask that this update include the results from your initial and any follow up meetings with DCD. Finally, I ask for a copy of Housing Kitsap's plan of action and milestones with proposed schedule for eliminating this public risk.

Sincerely,

R. S. Chwaszczewski

Email Copies: Housing Kitsap Commissioners, City of Bremerton Mayor



Board of Commissioners

Agenda Item Summary

MEETING DATE: October 23, 2018

AGENDA ITEM: 6.B.

AGENDA TITLE: Business and Technology Resources (BTR).

SUBMITTED BY: Wendy Dutenhoeffer

TITLE: Director of BTR

Reviewed and approved for inclusion in the packet by: Executive Director

ATTACHMENTS: Department update.

STRATEGIC PLAN LINK: Supports Goals 1-5

FISCAL IMPACT: None, update only

RECOMMENDATION: None

SUMMARY STATEMENT:

The attached report provides an update on all of HK's efforts within this program including the software conversion, annual budget, asset management and repositioning, human resources and information technology.

RECOMMENDED ACTION:

Staff will provide any updates that may have occurred since the writing of this report and will be available to respond to any questions.

B. Business & Technology Resources (Wendy Dutenhoeffer)

1. The following lists provide information on our team's current and ongoing projects:

- General:
 - Based on Resolution 2018-10, *Authorizing Budget Modifications to Support Essential Activities in the Current Fiscal Year* the following activity took place:
 - The final controller candidates were interviewed, and references are being checked. We hope to extend an offer by October 19.
 - We have identified an internal candidate for the much-needed property accountant position approximately 1 month ago. However, the position has not been approved at the Executive Director level and the department remains short-staffed. Overtime was approved to meet financial reporting deadlines
 - Two temporary accounting professionals remain, working to ensure ongoing operations as well as validating data for MRI Financials and preparing accurate financial reports. (1 scheduled to phase out after Controller onboarding; 1 after MRI conversion).
 - REAC /FDS submission was completed and submitted by Novogradac on 9/7/2017. The State Auditor's Office would not approve until they received a written detailed description of each change. They were provided a detailed spreadsheet, which was insufficient for their needs. Novogradac provided the written detailed description on 10/18/18
 - Prepared documentation for SAO interim evaluation.
- MRI Financials:
 - A test environment of the MRI software platform is available for test transactions. The next steps listed below have been delayed as all staff resources are allocated to creating fiscal year 2018 financial reports. Once there is available staff, the next steps in the software conversion are anticipated as follows:
 - Perform a special back-up of Great Plains data (regular backup completed daily).
 - Close our fiscal year ending 6/30/2017 in Great Plains
 - Run Great Plains trial balances as of 7/1/2017
 - Begin Journal Entries into MRI Financials
 - Validate MRI data matches Great Plains data
 - Begin data entry for FY 2018
 - Validate data
 - Begin entry for FY 2019
- Human Capital Management:
 - Recruited and on-boarded 2 new staff members (Site Manager at Heritage and Site Manager at Park Place)
 - Currently recruiting for 3 Maintenance Technicians (1 Part Time, 2 Full Time), 2 Site Managers, Controller, Director of REMHP
 - Job requisitions anticipated for Receptionist

- o Terminations include 1 Site Manager, 1 Maintenance Technician, and pending termination of Temporary Controller and Director of REMHP.
- o Conducted 4 Exit Interviews
- o Short Term Projects:
 - Benefits Renewal – Open Enrollment tentatively scheduled for November.
 - Paid FMLA Law changes to employee contributions starting January 2019. Employees can begin using in January 2020.
 - Employee Engagement
 - I-9 Audit completed. In process of contacting employees to fix I-9 corrections
- o Long Term Projects
 - Review all job descriptions
 - Review recruiting cycle
 - Training
 - Employee handbook update
 - Review of policies and procedures
 - Employee records management
 - Wellness Room
- Information Technology:
 - o Evaluating the need for a point-to-point connection between the Records office and the main office. If this connection is not needed or there is an alternative solution this could reduce costs by half
 - o VOIP Phone Conversion
 - Working through steps needed to deploy ShoreTel phones via a VOIP system to all property sites. Waiting on information regarding faxes at the properties
 - o Completed audit of Acrobat Pro licensing and verified licensing is in compliance.
 - o StormWind training – IT staff has completed the first course on Server 2016 installation, storage and compute. The next course is Server 2016 – networking
 - o Intranet – next steps are senior staff approval, staff buy-in and content management planning/assignment
 - o All devices to were updated to Symantec 14.2 (from 12.6) – KCCHA-GP cannot be updated but is still manageable in the new console
 - o Received quotes from a Hyperconverged solution and standard virtualized environment. Currently waiting for receipt of another bid/quote. A cloud solution was determined not ideal based on needs
 - o Received quotes for data backup options. Once serve solution is determined the back-up solution will be implemented
 - o It was determined that the Azure AD Connect outdated software could possibly be upgraded, which will allow for use of a service account. Testing is in process
 - o Requested single Skype business audio conference line. Annual cost reduction estimated at \$600
 - o Deployed Arlo security camera systems to Madrona Manor and Park Place Apartments.

- Records:
 - o Offsite archive organization
 - We were unsuccessful with the records assistance grant application to Washington State Records. They will be coming onsite to help prepare for the next application cycle.
 - o Fulfilled public records requests
 - Internal – 0
 - External – 4
 - o Request in progress:
 - Internal – 0
 - External – 0



Board of Commissioners

Agenda Item Summary

MEETING DATE: October 23, 2018

AGENDA ITEM: 6.C.

AGENDA TITLE: Mutual Self-Help

SUBMITTED BY: Dean Nail

TITLE: Director of SHOP

Reviewed and approved for inclusion in the packet by: Executive Director

ATTACHMENTS: Department update.

STRATEGIC PLAN LINK: Supports Goals 1-5

FISCAL IMPACT: None, update only

RECOMMENDATION: None

SUMMARY STATEMENT:

The attached report provides an update on all of HK's efforts within this program including an update on the boundary review currently in process at the Department of Rural Development (RD) and each of our current construction sites.

**RECOMMENDED
ACTION:**

Staff will provide any updates that may have occurred since the writing of this report and will be available to respond to any questions.

C. Single Family/Self-Help (Dean Nail)

1. Mutual Self-Help Housing (MSH) by the United States Department of Agriculture Rural Development (USDA RD):
 - Quarterly meeting set for 10/22/2018
2. Community Frameworks (CF) Self-Help Opportunity Program (SHOP):
 - All HK Self-Help projects were fully funded by SHOP. HK did not participate in the 2018 Funding Survey because the Suzuki and RAD conversion are pending projects but not solid enough to request for funding.
3. Sherman Ridge, Port Orchard:
 - Warm dry weather has been helpful for site production. The hydroseed is starting to sprout and the retaining wall is nearly completed. The sewer is about 75% done with all of the deep sewer expected to be complete by early next week. The power poles were moved plus PSE is working on final engineering for the joint trench for the on site lines.
 - A progress payment was made to the contractor for \$108,391 this month which included both import and export trucking and materials. The project has gone over on trucking estimates but overall projects costs are still on track.
 - Offsite sewer was started and found a conflict with other utilities in the intersection of Melcher and Sherman. Details were worked out to relocate the sewer main connection but it did cause a change order to the project of about \$8K.
 - The storm water will be complete in about 2 weeks.
 - The water main to be done in November.
 - Final paving, weather permitting, will be in February.
4. Maple Lane, Kingston:
 - Construction of the Maple Lane Group 1 is expected to be completed by the end of November.
 - Maple Lane Group 2 is making excellent progress with all framing completed in early November
5. Prosperity Place, Port Orchard:
 - Prosperity Place Group 1 has three roofs framed with one unit “dried in”. The group is doing great focusing on framing the next three homes.
 - We signed a contract with Youth Services to sponsor a Youth Build program. Our site will host a group of young adults looking to learn skills of both construction and job expectations. They will have a supervisor with them who built a self-help home in Caitlin Heights which will take some of the pressure off Jeff, HK’s site supervisor.
 - The Lot 7 retaining wall permit has been issued and Ultra-Blocks are being delivered.
 - Prosperity Place Group 2 funded in late August. Foundations for that group are about 50% complete.

6. Down Payment Assistance (DPA) Program funded by the Community Development Block Grant (CDBG) Program:
 - No activity.
7. Single Family Loan Servicing:
 - Staff is currently working on loan conversion documents.
8. Housing Kitsap's Home Rehabilitation Program (CDBG Rehab):
 - HK submitted an application for additional funding to respond to the significant demand for small home improvement and repair projects. Unfortunately, we did not receive additional funds after our presentation to the advisory board.
 - Current projects will be on hold until Contract KC-295-18 is signed and funded. The Contract has been signed by HK and was returned to the county to make the KC Commissioners Agenda.
9. Other Potential Plots:
 - We are discussing Self-Help lots in Olhava with Central Highland Builders. They will be presenting letter of intent to Housing Kitsap with a detailed plan for lots on two sites; the one that HK owns and another across from the beverage facility.
 - There is a potential property located in Kingston that may become available later this year. HK is talking with the seller who is interested in converting parts of the land to a county park, buildable lots, and to add to the existing wetland conservatory. It looks interesting and we will continue conversations with the potential seller.
 - The Werner Avenue parcel in Port Orchard has a potential for 30-35 lots in South Kitsap. The property is faced with a 2000 foot sewer extension which looks to have stopped the project from moving forward. We are currently doing due diligence on the land to determine an exact lot count, storm water control requirements, and looking at different options for sewer. One potential option would have been to ask CDBG for grant to fund the sewer extension. While this project is risky, and we are a little late for this year, we will consider a request with the next large project we purchase.



Sherman Ridge



Sherman Ridge



Sherman Ridge



Board of Commissioners

Agenda Item Summary

MEETING DATE: October 23, 2018

AGENDA ITEM: 6.D.

AGENDA TITLE: Development Update

SUBMITTED BY: Stuart Grogan

TITLE: Executive Director

Reviewed and approved for inclusion in the packet by: Executive Director

ATTACHMENTS: Development update

STRATEGIC PLAN LINK: Goal 2

FISCAL IMPACT: None, update only

RECOMMENDATION: None

SUMMARY STATEMENT:

The attached report provides an update on the development projects currently in progress by Housing Kitsap including:

- (1) Rental Assistance Demonstration Project (RAD)
- (2) Suzuki
- (3) Olhava

RECOMMENDED ACTION:

Staff will provide any updates that may have occurred since the writing of this report and will be available to respond to any questions.

D. Development (Stuart Grogan)

The development program consists of several active and pipeline projects. They are listed in priority order of importance to the organization. This month's project updates are provided below:

1. Rental Assistance Demonstration (RAD) project:

A number of steps have been taken during the past month in order to implement the RAD conversion including the following:

- Call to general contractor with project update;
- Call with financial advisor regarding next steps with HUD, lender and investor;
- Review of investor proposal and referral to attorney for review; and
- Monthly check in call with RAD transaction manager.

2. Suzuki:

The Olympic Property Group (OPG) is moving ahead with all of the pre development reports and analyses with a planned completion later this fall. Housing Resources Bainbridge (HRB) and HK have been involved in several meetings to begin planning the units for the site including design and layout, number, bedroom count and type as shown in the attached.

3. Olhava:

This project is on hold pending identification of a permanent funding source and staff capacity to focus on the development.



Board of Commissioners

Agenda Item Summary

MEETING DATE: October 23, 2018

AGENDA ITEM: 6.E.

AGENDA TITLE: Real Estate Management and Housing Programs (REMHP) Update

SUBMITTED BY: REMHP Staff

TITLE: Director of REMHP

Reviewed and approved for inclusion in the packet by: Executive Director

ATTACHMENTS: Program update.

STRATEGIC PLAN LINK: Supports Goals 1-5

FISCAL IMPACT: None, update only

RECOMMENDATION: None

SUMMARY STATEMENT:

The attached report provides an update on HK's properties and programs.

REMHP staff attempted to complete performance reports for the portfolio, however, with the state of our current software and reports we are not confident in over half of the information and were not able to pull a portion of the information needed from the software.

**RECOMMENDED
ACTION:**

Staff will provide any updates that may have occurred since the writing of this report and will be available to respond to any questions.

E. Real Estate Management and Housing Programs (REMHP Staff)

1. REMHP Boston Post (BP) Update:

- Golden Tides III and Liberty Bay are completed both in file audits and with being entered into the new software.
- Golden Tides II file audit is completed and there are only three more resident files to be entered into the new software.
- Kingston Ridge file audit is completed and there are only three more resident files to be entered into the new software.
- Conifer Woods resident files have been audited and we have begun entering certifications into BP. Expect to have these completed by mid-November.
- Park Place resident files have been audited and we have begun entering certifications into BP.
- The training database has been created and we will be able to start training staff in the system as soon as the chart of accounts has been setup in BP.
- As of today, no other properties have been built into the software yet, assuming the reason is due to the chart of accounts has not yet been completed in Boston Post.

2. Housing Choice Voucher (HCV) as of September 30, 2018

HCV - S8	
# of Participants - current	293
# of vouchers possible	374
HAP Spent	\$192,637.00
Budget Authority	\$206,350.00
# of Participants Issued a Voucher	3
# of Participants - on notice	5
# of Shoppers - Movers	7
# of New Admission in Process	2
Pulled from Waitlist	27
HK Public Housing to S8	0
# of Terminations	0
Termination Reason	N/A
Voucher Expired	0
Port-Outs	8
Project Based	
# of Occupied Units	57
# of Vacant Units	15
# of new admission in process	7
# of Terminations	0
Termination Reason	N/A
# of participants on notice	3
Total Monthly HAP	\$ 34,507.00
Total Monthly HAP Limit	\$41,270.00
Homeownership	
# of Participants	1
HAP Spent	\$554.00
FSS	
# of Participants	10
# with escrow	8
# of Graduates	0

3. Public Housing:

- Public Housing has an occupancy rate of 99.26% meaning only one unit is currently vacant!
- Units have been turned before a person has been qualified as rent ready. This is an amazing effort by the Maintenance Technicians and Public Housing Manager Julia Alvarez.

4. Viewmont East/Heritage:
 - Viewmont's manager resigned on October 11, 2018. The position was posted and we are reviewing applications. We hope to have this position filled by month's end.
 - There are a lot of vacancies on this property. Through the help of the Heritage Maintenance Technician and all the Public Housing Maintenance Technicians, they were able to turn all vacant units (nine) in less than six weeks.
 - Four files have been approved for lease up and we will have most of these units leased by October 23, 2018. This will increase it's current occupancy rate from 88% to 95%.
 - Heritage is 100% occupied.
 - We have hired a new Manager, Dina Campbell at Heritage who started on October 15, 2018. Dina brings a wealth of experience and she will continue to keep this property on track.
5. Fjord Manor/Fjord Vista II/Wind song:
 - Fjord Manor is 100% occupied.
 - A movie afternoon is planned with the residents on October 24, 2018.
 - All re certifications through the end of the year have completed for the community.
 - Fjord Vista II has received the final accepted letter from the Department of Commerce closing out the Annual Inspection for 2018. All recertification's through the end of the year have been completed for the community.
 - Windsong is 100% occupied and annual inspections were completed the last week in August with only minor items found. All re certifications through the end of the year will be completed by October 19, 2018.
 - Matthew Smith, Maintenance Technician for the Poulsbo properties has resigned. His last day of employment with Housing Kitsap is October 19, 2018. We are actively recruiting for his replacement.
6. Finch Place/Rhododendron/550 Madison:
 - 550 Madison is 100% occupied.
 - Rhododendron Apartments is 98% occupied with the grounds and buildings look great.
 - Maintenance is prepping for winter.
 - Finch Place has two vacancies. The FP tenants group (FAST) continue to be creative with activities in community room. The first movie night was a success. We are in the process of working with BI Disposal for updated recycle containers and other information materials for inside/outside for do's and don'ts when recycling.
7. Golden Tides II/Golden Tides III/Liberty Bay:
 - We are working closely with Kitsap Mental Health to fill the current Liberty Bay vacancies.
 - Staff have effectively reduced turn times at all three properties.
 - There is a pending eviction at Golden Tides II.

8. Park Place:
 - Several HK staff members are working at the property to get caught up and ahead of schedule with certifications.
 - In our last approved budget, staff had budgeted for a part time Site Assistant at Park Place. The former Site Manager, Christopher Richards stepped down into the Site Assistant position effective October 10, 2018.
 - Housing Kitsap hired a new Park Place Site Manager, Linda Dizon. Linda's first day was October 15, 2018.
9. Kingston Ridge:
 - 2018 Annual inspections for the A and B Buildings has been completed. The C building will be completed prior to the end of October 2018.
 - Resident in B104 is in the process of eviction. We were awarded the WRIT and Judgement at the show cause hearing at court October 5, 2018. The next step is that the Sheriff will be out within the next week to serve and advise us of the timeline of when the tenant must be vacated.
10. Conifer Woods:
 - Project Based Vouchers (PBV) (tied to longest vacant units) have been transferred to different units so the oldest units may be rented by month's end.
 - Conifer has decreased vacancy by 10% (previously 12 units vacant) down to five units vacant. The occupancy rate is 93%.
 - The recreation room has been cleaned out. The manager is soliciting free materials from HD Supply and Great floors to spruce things up for better tenant amenity.
 - 100% of turns of vacant units are done thanks to big effort from Maintenance Technicians in Public Housing and Conifer Woods.
 - Conifer Woods and Park Place now have new Site Assistant, Christopher Richards. Christopher will be on each site 20 hours a week.
 - PBV waitlist has been taken back in house to be exhausted for outstanding PBV units. The list has been acquired, sorted, and purge letters were written to applicants. Screening for these vacant units will commence at month's end.
11. Port Orchard Vista/Madrona Manor:
 - Port Orchard Vista is 100% occupied!
 - Staff has been successful in getting the Port Orchard Vista residents more involved as a community through various activities at the property.
 - Cameras have been installed at the Madrona Manor site to help keep a safe environment for the senior residents.
 - Staff is working to get the vacant units filled at Madrona Manor. We are almost through the wait list and will then start processing incoming applications.
 - Due to recent power outages at Madrona Manor, we have aided the residents with information for emergency preparedness.
12. Orchard Bluff Mobile Home Park:
 - The property is currently without a permanent Site Manager. In the interim, we have several other Site Managers who have stepped up to assist with coverage at the property. We are currently working on recruiting a new Site Manager for the property.

- Staff is finishing the response to the Department of Commerce from their visit several months ago. We anticipate the response and corresponding action items to be completed by October 31.
- In our last approved budget, staff budgeted for a part time Maintenance Technician at Orchard Bluff. We are currently recruiting for this position.

13. Resident Services:

- Jennifer Luatua is our new Resident Services Coordinator. Jennifer has planned a wide array of activities and programs for the Nollwood youth through the end of 2018.
- Love Thy Neighborhood, The Boys and Girls Club and the YMCA Teen Night administrator have all pitched in with activities and volunteers to give the Public Housing youth different exposure to widen their life experience.
- A Trunk or Treat event is scheduled for October 27, 2018. Each resident decorates the trunk of their car, and the kids walk the circle of the parking lot picking up treats.
- Food Drives are also on calendar for the Thanksgiving and Christmas holidays.